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1980 Edition

by Yale Hirsch

Eleventh Annual Edition

1980 Mutual Funds Almanac

by Yale Hirsch

author of The Stock Trader's Almanac

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Eleventh Edition

INTRODUCTION TO THE 1980 MUTUAL FUNDS ALMANAC

This is the Eleventh Edition of the *Mutual Funds Almanac*. Now an established standard mutual fund reference book, it is produced by the Hirsch Organization, publishers of the *Stock Trader's Almanac* and *Smart Money*.

The 1980 *Almanac* provides comprehensive coverage of all essentials needed to carry out a successful program of mutual fund investing:

- What mutual funds are and why you should own them.
- How to set your investment goals and then select funds to meet them.
- How to become an expert in fundsmanship.
- Performance statistics for all open and closed-end funds over the past ten years.
- A complete mutual fund directory including ojectives, sales charges, minimum investments, redemption fees, yields, distributions, total assets, year organized, net asset value per share, and plans available.
- A complete money market fund directory.
- A directory of closed-end and dual funds.
- Complete coverage of municipal bond funds.

MUTUAL FUNDS ALMANAC
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1979—A STELLAR YEAR FOR EQUITY FUNDS

1979 was a surprisingly good year for the equity fund investor. And it was a simply fantastic year for those investors holding any of the funds invested in gold. The five best performing mutual funds were invested in gold—stocks and bullion. All five funds more than doubled their net asset value per share prices in 1979! Top ranked Strategic Services gained 182.5%, approaching a triple!

The two top rated "regular" stock funds were Able Associates and Constellation Growth, both small, flexible funds. Able Associates has concentrated up to 75% of its assets in energy investments since 1975. Many other funds turned in exceptional performances in 1979 by riding the energy bandwagon—notably American Investors, New Era and, of course, the Energy Fund.

1979 was a year when the more speculative funds excelled. These funds benefitted from the tumultuous action among the secondaries, particularly those stocks traded on the American Stock Exchange and over-the-counter. The Amex Index, heavily laden with energy stocks, gained an astounding 64.1%. The NASDAQ over-the-counter composite index gained 28.1%.

Funds holding large company stocks didn't do nearly as well. To a great extent this reflected the lesser gains compiled by the major indices. The Dow Jones Industrial average gained a miniscule 4.2% while the S&P 500 was up 12.3% and the NYSE Composite closed 1979 only 15.5% higher.

The average growth fund in the MFA Index gained 28.7% in 1979. The more conservative growth-income funds averaged a 19.5% gain while the income and balanced funds were up twelve plus percent.

It was another story for the bond funds. Racked by rising inflation in 1979, fixed income funds trended lower. For example, the average municipal bond fund lost 1.3% on a total return basis (including dividends).

Over the last five years the average fund in the MFA Index more than doubled. Taking all categories into account, $10,000 grew to $20,916. The average growth fund was up 126%, making $10,000 grow to $22,629. Over the five year period this bettered the performance of the Dow even with dividends included.

The MFA index constructed by the *Mutual Funds Almanac* is a unique and useful one consisting of 88 established funds, all with assets of $100 million or more as of 1968. The MFA index is based on the same concept as the 30-stock Dow Jones industrial average; that is,

Table 1

The Mutual Funds Almanac Index

How Mutual Funds Performed—1970-1979
(Funds of $100 Million or Over in Assets in 1968)

Total Funds In Group	Fund Group	Average % Gain or Loss in Net Asset Value*										What $10,000 Grew To	
		1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1975-79	1970-79
39	Growth	—10.7%	20.3%	11.5%	—24.2%	—28.6%	32.0%	21.6%	—1.3%	10.9%	28.7	22,629	14,658
29	Growth & Income	0.8	14.8	13.6	—13.3	—21.5	32.8	24.0	—4.5	7.8	19.5	20,259	18,124
9	Income	4.1	14.5	8.7	—9.2	—11.0	27.6	30.3	2.1	4.5	12.5	19,957	20,896
11	Balanced	2.8	15.0	10.9	—11.8	—19.1	25.0	21.8	—2.3	4.5	12.2	17,442	16,316
Totals 88	**Averages**	**—4.0%**	**17.4%**	**11.8%**	**—17.8%**	**—23.5%**	**31.0%**	**23.3%**	**—2.1%**	**8.5%**	**21.9**	**20,916**	**16,572**
Dow Jones industrials:													
	Actual	4.8	6.1	14.6	--16.6	—27.6	38.3	17.9	—17.3	—3.2	4.2	13,611	10,480
	Adjusted for cash and stock dividends	8.8	9.6	18.3	—13.1	—23.1	44.4	22.7	—12.8	2.8	10.7	17,662	16,626

*Performance includes the year-to-year increase in net asset value per share, plus all capital gain distributions, and income dividends received during the year. Sales charges and taxes have not been taken into account.

Table 2

FUND	Number of Years in Top 10% of All Funds
44 Wall St.	6
International Investors	6
Magellen	6
Charter	5
Nicholas	5
Over-The-Counter	5
Security Ultra	5
AMCAP	4
Founders Special	4
Mutual Shares	4
Pace	4
Twentieth Century Growth	4
Twentieth Century Select	4
Value Line Spec. Sit.	4

specifically selected funds provide year-to-year continuity. Since they all have long shareholder lists, the index is representative of a broad cross-section of investor experience. Small funds, some with only a few hundred shareholders each, are excluded.

Many individual funds turned in superlative performances over the last five years. The period from January 1975 through December 1979 was an exceptionally favorable one for equities. The beginning of the period coincided with the start of the major bull market following the 1973-74 debacle. Top ranked fund in this period was 44 Wall Street, up an unbelievable 1,005%. 44 Wall is now over $100 million and still holds a small portfolio of about 25 stocks. Second ranked among all funds was Pennsylvania Mutual. $100,000 invested in Pennsylvania Mutual at the beginning of the period grew to almost $70,000 five years later. In this five year period 25 mutual funds quadrupled (or better) in value taking reinvested dividends and capital gains into account. Sixty-six funds achieved a triple or better. These funds outpaced inflation by a wide margin. In this period the Consumer Price Index rose 47.2%.

Over the entire decade results were not as impressive. The effects of the 1970, 1973 and 1974 bear markets put a drag on the longer term performance. The average fund in the MFA Index gained 65.7%. The best fund over the ten year period was International Investors, the oldest gold fund. Second was Templeton Growth, an international fund. Complete five and ten-year records for the top fifty funds can be found on the last pages of the *Almanac*.

Consistency of performance is an important way of evaluating mutual funds. Here is the *Almanac*'s honor roll for consistency. Of 314 funds with ten year performance records, the fourteen funds in table 2 scored in the upper decile (upper 10% of all funds) the most years in the past ten. Three funds were in the upper 10% six of the ten years, another four funds ranked this high five times and seven funds made the charmed list four times. By way of comparison, last year (in the 1979 *Almanac*) not one fund was in the top 10% six times and only nine funds made it four or five times.

Of course, a fund doesn't have to be in the upper 10% to be successful. The funds in table 3 were most consistently in the upper half of all funds. While no fund made the upper half every year of the ten, nine funds were in the upper half nine of the ten years and 26 funds were in the upper half eight times. In the 1979 *Almanac* nine fewer funds made the upper half of all funds eight or nine times.

Table 3

FUND	Number of Years in Upper 50% of All Funds
American Mutual	9
Bullock	9
Financial Industrial Income	9
Guardian Mutual	9
Kemper Total Return	9
Philadelphia	9
Pioneer	9
Pioneer II	9
Templeton Growth	9
American National Growth	8
Broad St. Investing	8
Charter	8
Dreyfus Leverage	8
Energy	8
Fidelity Equity Income	8
Founders Special	8
Harbor	8
Investment Co. America	8
Kemper Growth	8
Mathers	8
Mutual Shares	8
Pace	8
Paramount Mutual	8
Pilgrim	8
Putnam Voyager	8
Safeco Equity	8
Scudder Special	8
Security Investment	8
Sierra Growth	8
State Farm Balanced	8
Twentieth Century Select	8
Value Line Fund	8
Value Line Income	8
Wall St. Growth	8
Weingarten Equity	8

STOCKS ARE UNDERVALUED

On an historical basis stocks are still undervalued, notwithstanding significant gains over the past five years. This suggests that while there will always be risk in common stock investments, that risk is probably less than was the case before the 1973-1974 decline, when the S&P 500 sold at 15.8-to-18.6 times earnings — more than twice the current multiple. Even the Value Line indicator sold as high as 19.0-times earnings at its bull-market high, before it began a six-year decline.

Moreover, we think that risk is limited for the very reasons that we believe the case for purchasing common stocks is compelling.

1. Dividends have been growing at a compound rate of 9% a year in the last four years — faster than the rate of inflation — and now even exceed the passbook rate on savings accounts. Moreover, we expect dividends to continue to rise in the years ahead.

2. Stocks, despite levels substantially higher than the 1974 lows, are still valued at historically low levels in relation to earnings, book value, and replacement cost.

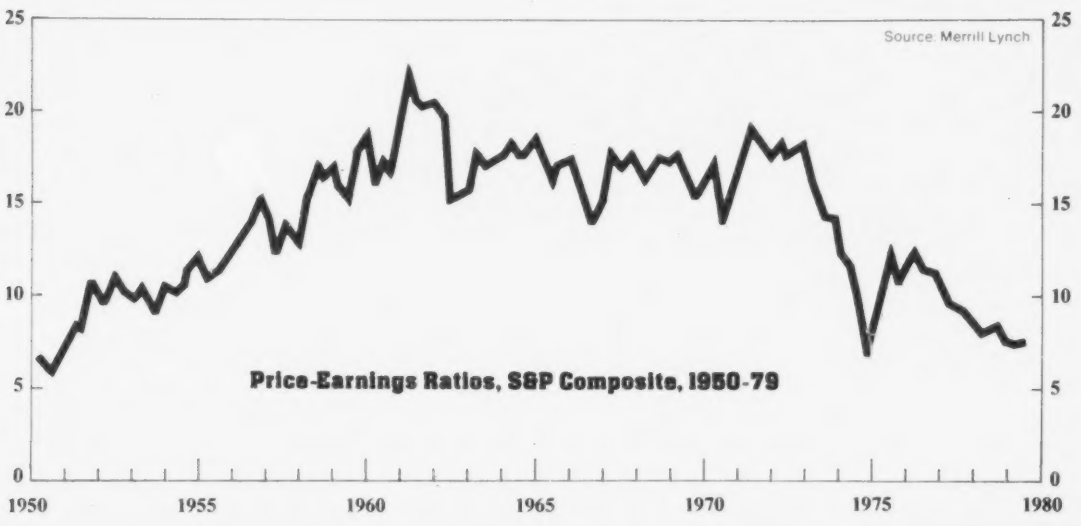
The S&P 400 Industrials on which book-value data are available were recently trading just slightly above book value. Stocks have sold near book value at only four times since World War II — in the 1948-49 recession, in 1953 during the Korean war, at the depths of the 1974 bear market, and recently. Shares of numerous companies are selling at substantial discounts from book value, which is considerably understated in many cases because of inflation.

Indicative, too, of the extent to which equities are undervalued has been the substantial premiums — averaging more than 50% over market values — that corporate buyers have been willing to pay for the companies they wanted to acquire. The average price paid for the shares of firms acquired has exceeded 15-times earnings and 1.7-times book value — in some instances, almost twice their value on the open market.

The substantial premiums also reflect the soaring costs of replacing or expanding earning assets. SEC data indicate that the market value of nonfinancial corporate businesses in 1978 was equal to only 53% of the replacement cost of their assets — the second-lowest ratio of market value in relation to earnings in almost three decades. With the market valuing underlying assets at such an enormous discount from replacement cost and with replacement costs rising steadily, the risk entailed in stocks should understandably be limited.

3. Because of their modest valuations, stocks

Chart 1



should prove to be a far better hedge against inflation than they have been in the last decade or so and far better than alternative investments. In 1968, the S&P 400 Stock Index sold at 15-to-19 times earnings and at more than two-times book value, and yielded only about 3%. With their excessive valuations subjected to correction at a time when interest rates were rising sharply, stock prices were unable to keep up with inflation, much less to offset its effect. With valuations now modest, dividends high and rising, and inflation and interest rates expected to decline, stocks, in our judgment, will re-emerge as a highly successful — and probably the best — hedge against inflation in the years ahead.

To be sure, prices for such investments as real estate, art, coins, silver, and gold have outpaced the soaring rate of inflation in recent years. We have serious doubts about whether they will continue to climb so rapidly in the years ahead. Just as stocks became excessively valued in the late 1960s and early 1970s, so perhaps have many tangible assets in recent years. Furthermore, in many cases, prices have soared mostly from fear rather than from a real increase in inherent value.

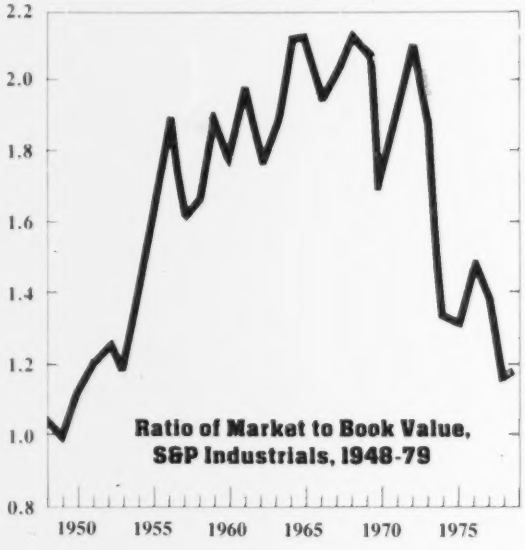
Sooner or later, investors will recognize that stocks represent ownership of real assets that are still available at a considerable discount to their inherent value. As one of the few — if not only — assets that have not appreciated sharply in the last 10 years, stocks are still among the cheapest assets available.

4. Individual investors, who for years have been net sellers of stocks, are likely to be net buyers in the years ahead. In the four years from 1975 through 1978, individual investors sold stock at a rate of $3.3 billion a year. The tide may have turned. If their selling has indeed ended, that alone would be positive for the market. Should they take an even more positive approach, the effect on stock prices could be dramatic.

During 1978, for example, U.S. households had increased their net savings by more than $22 billion. Their holdings in money-market funds at the end of 1979 totaled $45 billion. Moreover, the total funds households have available for investment in all assets (financial and non-financial) now exceeds $100 billion annually. We believe it reasonable to assume that at least a small portion of those funds will in time go into stocks.

5. Institutional buying of stocks should also increase considerably in the years ahead. Those investors, like their individual counterparts, have been reducing emphasis on stocks for a number of years. By the end of 1978, for example, the proportion of private pension funds' assets in stocks had dropped to about 50% compared with 74% in 1972. Although institutions may remain conservative in their investment approach, we think it unlikely that the proportion of assets allocated to stocks will fall much below the current level — especially if interest rates begin to decline as we expect.

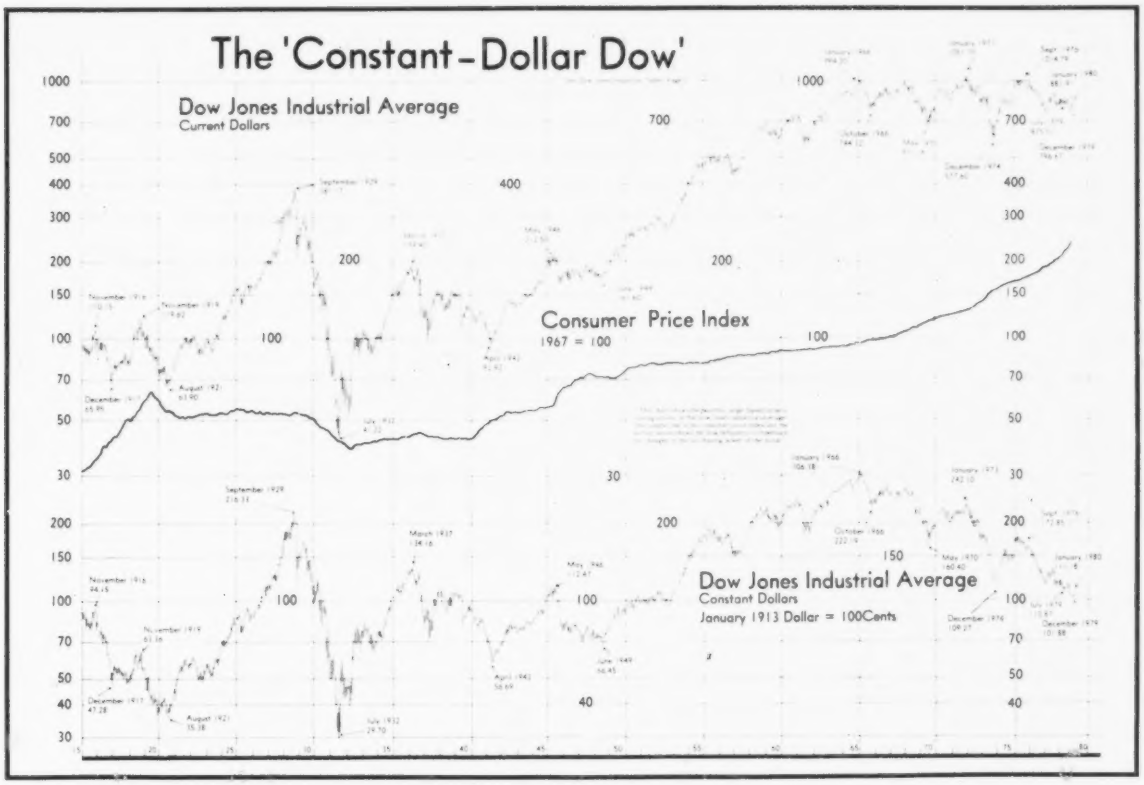
Chart 2



Source: Merrill Lynch

In recent years, institutional investors have also reduced the percentage of new funds invested in equities in relation to commitments in fixed-income securities. According to Federal Reserve data, the private pension funds placed 58% of investment funds in equities in 1976, 29% in 1977, and 32% in 1978. Meanwhile, new funds received by the pension funds are growing at a rate of $20 billion a year. If institutional investors were to maintain just 50% of their assets in stocks, they could be committing some $10 billion to stocks this year — double the level of recent years.

Chart 3



Adjusting the Dow For Inflation

Imagine the Dow at its 1974 low of 570. That's 34% below early 1980 levels. If that's hard to envision, how about Dow 300? Well shocking as it may be, we're there now if you adjust the Dow for the plunge in purchasing power of the dollar over the years. Worse yet, we're 46% below the 1929 peak (i.e. $10,000 invested in the 30 Dow industrials at its 1929 peak would buy $540 of merchandise today.)

That's a morbid tale unless you note in chart 3 that much of the damage began in the mid 60s when inflation kicked up and forced the Fed to retaliate with a vengeance. Their measures brought about two severe recessions (1970 and 1974). The brunt of those business crunches, as well as other complications (Watergate, bankruptcies, war, dollar devaluation, etc.), took its toll on investor confidence, and the market suffered.

We suggest however that investors, while justified in their fears in face of adversity, erred in their assessment of common stocks as a hedge against inflation. For years, stocks have been upstaged by tangible investments (precious metals, collectibles, real estate, etc.). That's due to change. The underlying value of equity in corporations in terms of asset values and earning power has kept pace with the inflationary price spiral. What has lagged is investor recognition of this fact.

It's just a matter of time 'til stocks are in vogue. It all started recently with natural resource stocks. In time, it will spread to other groups.

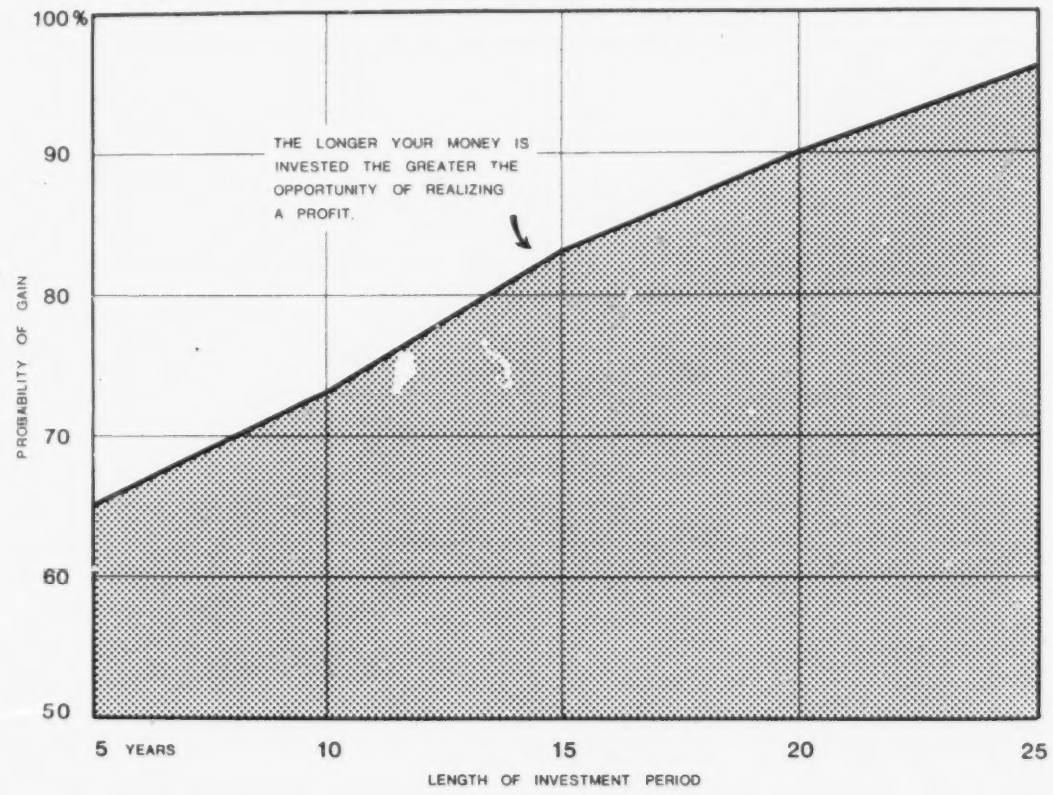
When adjusted for inflation since mid 1960 the Dow should be close to the 2,000 level. The *Mutual Funds Almanac* thinks we're going there.

Chart 4

NEW HORIZONS FUND
PRICE/EARNINGS RATIO RELATIVE TO THE STANDARD & POOR'S 500

Chart 5

TIME CAN REDUCE THE RISKS OF INVESTING IN COMMON STOCKS



The Secondaries Are Undervalued

Even more interesting is that there is evidence that the secondaries are still undervalued, even though they have exhibited remarkable growth in recent years.

The New Horizons Fund, which has long specialized in emerging growth stocks, addressed this question in their 1979 annual report. They were concerned because the type of stocks they hold had performed well and because the country appears to be going through a difficult economic period. They noted that "Many students of the stock market would suggest that now is the time to seek safety, citing that the tremendous price appreciation experience by many secondary companies' stocks cannot continue. These individuals might also point out that small company stocks are the most vulnerable to uncertainty and to volatile stock markets."

New Horizons addressed the valuation question on both an absolute and relative basis. At year end the fund's price-earnings ratio was 10.7. This compares with a range of 8 to 40 times since 1960. The Fund's p/e relative to the S&P 500 is also conservative. Historically, as illustrated in chart 4, New Horizons' relative p/e has ranged between one and two times that of the S&P 500. The December 1979 relationship was 1.3, well below that experienced at the top of prior economic cycles. New Horizons concluded that even if stocks declined they wouldn't lose anything like the 40% and 38% beatings they took in 1973 and 1974.

DELINEATING MUTUAL FUNDS

Let's assume that you have $1,000 to invest—and you hope to make this money grow. Suppose you took this $1,000 to a group of people whom you felt were exceptionally capable in the field of securities investments.

Suppose you said to that group, "Gentlemen, I would like you to take my $1,000 and invest it for me for many years to come. I expect you to pay close attention to my money, buying new securities for me from time to time as investment conditions change. And for this I am going to pay you $5.00 a year."

Well, after the investment group recovered from the shock of the suggestion, they might reply, "It is completely unfeasible for us to do what you ask for $5.00 a year. But perhaps if we can get several thousand people together and put your money into one joint account, it might become worth our while to handle this account as you suggest."

This is, in effect, why the mutual fund concept is so sound. The investments provide both the necessary capital and the financial reward for top-notch management. Mutual funds are the most logical way for thousands of investors to own shares in corporate America.

How Funds Arose

Although the roots of mutual funds go back to the 19th century British and Scottish investment trusts, the industry has enjoyed its greatest growth and success in the United States. The first U.S. fund—Massachusetts Investment Trust—began in 1924. In the bull market of the twenties, MIT, and other funds, were recognized as important vehicles which brought a broader slice of the public into the stock market.

But then came 1929 and the awful years of the depression. While closed-end, highly leveraged investment companies were the hardest hit, mutual funds suffered too.

In fact, the mutual fund industry didn't really begin to grow until after the Investment Company Act of 1940 which created important statutory safeguards for investors, effectively curbing the worst fund abuses of the twenties.

Responding favorably to these governmental safeguards, shareholder confidence grew and the mutual fund industry surged ahead in total assets and number of shareholders. In 1940, total assets of the mutual fund industry were only $488 million spread over 68 funds. By 1950, the number of mutual funds had increased to 98 and their assets climbed to $2.5 billion. In the next decade, the number of funds increased to 161 and total assets jumped to $17 billion in 1960. In 1972 industry assets peaked at an impressive $60 billion, but then declined in 1973 and 1974 as declining stock values reduced the amount of money under management.

With the traditional common stock funds in less favor, fund managers sought new ways to remain financially healthy. First, retrenchment became the order of the day. In the past seven years about 180 funds merged with other funds or were liquidated, with their assets distributed to shareholders.

Mutual funds, like everything else, have been severely affected by the inflationary rise in all costs of doing business. Small funds are most affected since the managers' income is derived, not from the sales charge as the uninformed suppose, but from management fees which are based on the size of the funds' assets. Mergers are a way to offset these increased costs because the fees accruing to large funds more readily cover their fixed costs of doing business. When two funds merge, duplicate shareholders costs are eliminated. There is one board of directors instead of two; auditing and registration fees and taxes—expenses not closely related to size —are all reduced.

Simultaneously, there was new diversity in the face of this adversity. As the number of common stock funds declined, new types of funds were created. Most important were the money market funds, the children of 1974's interest rate crunch. Money market funds enabled shareholders to obtain high yields that heretofore had been available only to buyers of large CD's. Next, a 1976 change in the tax law made possible the sale of municipal bond

funds. Today, funds provide financial services that are better attuned to investors' needs than ever before in their history.

With the advent of the money market funds assets have zoomed. At the end of December 1979, total net assets for all mutual funds were a record $94.7 billion, of which $45.2 billion was from money market funds and $49.5 billion from all other funds. There has been a resurgence of investor interest in stocks and funds.

This year's *Almanac* reports on 514 mutual funds, another 54 closed-end and dual funds and a record 53 money market funds.

Who Buys Mutual Funds

Today, the market for mutual funds is as varied as the objectives of the multitudes of funds all vying for the investor's dollar. Exactly who buys mutual funds? Basically, there are two markets: the institutional and the individual investor markets.

The institutional market accounts for about 25 percent of all mutual fund holdings. More than one million bank trust department, pension fund, foundation, union, and business accounts are invested in mutual funds. However, the lion's share of fund assets is owned by individual investors.

According to a 1975 study, there are 7.3 million of these individual investors. Fund shareowners constitute nearly three out of ten of the nation's 25.2 million shareowners of all public corporations. Fund shareowners own shares in an average of 4.2 different public corporations. More than 50 percent of the fund shareowners hold only shares of investment companies while holdings of a single fund constitute the entire stock portfolio for 45 percent of the fund shareowners.

Studies have found that typical mutual fund shareholders are adults in their forties and fifties who have attended college and have above average incomes. Many are in professional or managerial positions. Slightly more than half are female. (But males are purchasers of funds four times out of five.) They describe themselves as efficient, planners, intelligent, self-assured, refined, but amicable. When it comes to business reading they prefer the business sections of their newspapers, *The Wall Street Journal*, *Business Week*, *Forbes*, *Fortune* and *Money*. Shareholders are most likely to learn about funds through social and business contacts.

RANDOM WALK, A THEORY WHOSE TIME HAS COME?

Most serious investors of the market have by now heard of the Random Walk theory. Popularly described, it says that a monkey throwing darts at stock market tables can do as well as the best Wall Street professionals. Unfortunately, this description is almost as oversimplified as the apple-dropping-from-a-tree explanation of Newton's Law of Gravity.

It's high time for every mutual fund investor to learn what the random walk hypothesis is all about; the *Almanac* believes that even though it is not conclusively proven, its precepts are of value to all mutual fund investors.

The term random walk came from a statistical problem of yesteryear. Seventy years ago an exchange of correspondence appearing in *Nature* considered the answer to a vexing problem. If one leaves a drunk in a vacant field and wishes to find him after a lapse of time, what is the most efficient search pattern? After much thought and discussion it was demonstrated that the best place to start is the point where the drunk was left, since drunks presumably wander without purpose or design —randomly. Hence the term random walk.

The theory now, and more properly called the "efficient market hypothesis" has been in formulation for many years, principally by the academic community. Here is how two respected academic researchers, Lorie and Hamilton, summarized the efficient market theory. There are three forms: The weak form, the semistrong and the strong form.

1. The weak form asserts that current prices fully reflect the information implied by the historical sequence of prices. When new information becomes available the price adjustment to this information will be virtually instantaneous, making successive price changes random. The random walker concludes from the weak form: charting won't enable any investor to do better in the market.
2. The semi-strong form of the hypothesis asserts that current prices fully reflect *public* knowledge (annual reports, etc.) about the underlying companies, and that efforts to acquire and analyze this knowledge cannot be expected to produce superior investment results.
3. The strong form asserts that not even those with *privileged* information can often make use of it to secure superior investment results. Privileged information would be information available to securities analysts through their private and individual inquiries of management, for example. The random walkers conclude that the second and third forms of the theory, if true, would indicate that fundamental analysis is useless; it will not pay off in superior performance.

It is obvious that Wall Street Professionals whose avowed *raison d'etre* is to produce superior investing results by beating the market have not eagerly embraced a theory that says investment advisory services, earnings predictions, charting, and all other forms of investment analysis are useless; that it is impossible in the long run to do better than the market.

Many professionals have ridiculed the theory. A colleague of ours at *Fundscope* wrote:

1. The drunk's current whereabouts fully reflect the sum total of his historical sequence of locations. In other words, a person's ability to locate a drunk is not enhanced by knowing the history of his successive movements and the results of analyzing them in all possible ways.
2. A stronger form of the hypothesis asserts the whereabouts of a drunk fully reflects whatever public knowledge exists as to his various locations, and that efforts to acquire and analyze this knowledge cannot be expected to produce superior location-results. For example, a person cannot expect to locate more drunks than another person, by reacting to newspaper reports or to radio and television announcements of changes of locations.
3. The strongest form of the hypothesis

asserts that not even those with privileged information about a drunk's changing locations can make use of this information often enough to find more drunks than the person without such privileged information. (editor's note: their wives, maybe?)

Many distinguished Wall Street professionals have done academic quality research to disprove the random walk professors. Much of this research has been published in respected financial journals—with neither side changing their minds.

Nevertheless much of the laughter has died down; there has been some grudging acceptance of the efficient market theory by people who make the hard decisions investing billions of institutional money. The primary reason is that the second and third forms of the theory seem, more and more, to be valid.

It appears to make sense that the market is "efficient." There are tens of thousands of professionals and informed laymen analyzing stocks. Their efforts tend to neutralize each other and there are only about 2000 common and preferred stocks on the NYSE (representing 1600 companies) and 1200 on the AMEX. While there are another 10,000 actively traded OTC stocks, most institutional money goes into a relatively few listed stocks. As a practical matter, it may very well be impossible for any one analyst to consistently outperform his fellows.

Remember: to succeed in the market an investor must guess what will be done by other participants whose motivations are similar to his own. Lord Keynes spelled out the intricacies of the problem.

"Professional investment may be likened to those newspaper competitions in which the competitors have to pick out the six prettiest faces from a hundred photographs, the prize being awarded to the competitor whose choice most nearly corresponds to the average preferences of the competitors as a whole: so that each competitor has to pick, not those faces which he himself finds prettiest, but those which he thinks likeliest to catch the fancy of the other competitors, all of whom are looking at the problem from the same point of view. It is not a case of choosing those which, to the best of one's judgement, are really the prettiest. We have reached the third degree where we devote our intelligences to anticipating what average opinion expects the average opinion to be. And there are some, I believe, who practice the fourth, fifth and higher degrees."

Are events and new knowledge reflected so quickly in individual stock prices that investors don't have time to exploit new information? Do undervalued stocks quickly rise to their "true" value? If so, the stock market will move randomly with prices, following an endlessly unpredictable path. This is the correct meaning of randomness; it does not mean senselessness, i.e., a sudden unpredictable move of a stock is seldom senseless.

Tests of the Random Walk Theory

To prove the second and third forms of the theory the random walkers have examined the performance of institutional money managers, primarily mutual funds whose performance has always been a matter of public record.

Scores of studies have been made and they almost uniformly show that collectively institutions don't beat the stock market indices adjusted for risk differences and that the majority of money managers who do beat the averages in one year are just as likely to trail the averages in a future year.

It is vital to understand the importance of adjusting the money manager's performances for risk differences. Early random walk proponents did not make these adjustments, but it was quickly pointed out that it is indeed possible to select a portfolio of very risky stocks and do better than the stock market averages. Therefore, random walkers now qualify the theory and simply maintain that a risky portfolio won't do any better than a randomly selected portfolio of equal risk. Similarly, a conservatively selected portfolio won't do better than a random selection of conservative stocks.

This seems to be true of mutual funds, bank administered trust and pension funds or any other institutional portfolio. Our own MFA in-

dex appears to confirm the random walk conclusions.

Now a lot of objections have been raised to these comparisons. One is that it matters what index the portfolio is compared to. A fund might beat the Dow but not the S&P index. In 1978, the Dow was down 3.2 percent while the NYSE Composite was up 2.1 percent. Comparisons to actual mutual fund portfolios are "apples and oranges" because a fund portfolio may contain NYSE, AMEX or OTC stocks, bonds or CD's. There is no appropriate index for comparison. Would you average the Dow and the AMEX index?

This problem is illustrated by one of the most thorough studies in this area. A 1970 study by Wharton professors Irwin Friend, Marshall Blume and Jean Crockett analyzed the performance of 136 funds from January 1960 through June 1968. They found an average gain of 10.7 percent annually. They then compared this performance with an equally weighted portfolio of all NYSE common stocks. This means each stock had the same dollar value: $100 of Telephone, $100 of IBM, $100 of Abbott Labs, etc. They found this equally weighted portfolio averaged a higher 12.4 percent annual return. Professors Friend et al then averaged all NYSE stocks making the investment in each stock proportional to its total market value (This is how the NYSE Index is actually computed.) In this index IBM would have a hundred times larger weight than a small company. The value-weighted average was 9.9 percent; the funds easily surpassed it. The authors felt the comparison to the latter value-weighted portfolio was more realistic since more funds hold IBM and other large companies than small companies.

The fact that funds have management and transaction expenses and the Dow and the other indices don't makes a tremendous difference. One study by Sharpe found that if expenses were ignored, 19 of 34 funds studied outperformed the DJIA taking risk into account. With expenses considered only eleven funds bettered the Dow.

While many in the industry concede that funds, on average, won't beat the stock market (in fact they argue they *are* the market) they still maintain that some superior managers can consistently achieve above average performances. The pure random walkers disagree. Paul Samuelson, writing in the *Journal of Portfolio Management* put it this way:

> "Any jury that reviews the evidence, and there is a great deal of relevant evidence, must at least come out with the Scottish verdict: *Superior investment performance is unproved.*
>
> "Let me not be misunderstood. The Morgan Bank people did do better in certain years than the average mutual fund. That is not in doubt. Nor is it denied that the T. Rowe Price organization achieved greater increments of wealth in certain years than did many other organizations. And both of these may well turn out to perform better than the market as a whole in the future. Yet, recall that there were years when the Dreyfus Fund, or the Enterprise Fund, or Fidelity Funds seemed greatly to outperform the mob. And there were other years when they didn't.
>
> "What is at issue is not whether, as a matter of logic or brute fact, there could exist a subset of the decision makers in the market capable of doing better than the averages on a repeatable, sustainable basis. There is nothing in the mathematics of random walks or Brownian movements that proves this to be impossible or *postulates* that it is in fact impossible.
>
> "The crucial point is that when investigators—like Irwin Friend, William Sharpe, Jack Treynor, James Lorie, Fisher Black and Myron Scholes, or any Foundation treasurer of fair-minded and serious intent—look to identify those minority groups or methods endowed with sustainable superior investment prowess, they are quite unable to find them. The only honest conclusion is to agree that a loose version of the "efficient market" or "random walk" hypothesis accords with the facts of life. This truth, be it emphasized, is a truth about New York—and Chicago, and Omaha—and it is *as* true in New York as in Cambridge."

Samuelson notwithstanding, some academics have acknowledged exceptions. Irwin Friend has been quoted as saying he would

not be surprised if as many as 10 percent of the fund managers are able to consistently better the averages. Fisher Black, writing in the *Financial Analysts Journal* said, "Yes, there seem to be a few. Out of three or four hundred funds, perhaps three or four have shown consistently good performance for some period; better performance than would be expected by chance." Ironically even William Sharpe, quoted in the last paragraph by Samuelson, has somewhat modified his view. Interviewed in *Fortune* magazine, Sharpe observed that inside information is not being processed as quickly as efficient market theory would have us believe.

One way to evaluate management ability is to determine consistency of performance. Academics often show this by comparing successive five or ten year periods. We think there are shortcomings to this methodology; principally showing too much ancient history. Nevertheless, whatever the method, top ranked funds in one year often fail to continue their winning ways.

To illustrate this we examined the *Almanac's* top ranked funds that were in existence in both 1971 and 1975. We selected these years because both were the first complete years of their respective bull markets. Thus, there is a likelihood that the same types of funds will shine. Forty-one funds made the *Almanac's* top ten percent in 1971. They are noted with a superscript [1] in the tables. Of these 41 funds, only seven ranked in the top 10% again in 1975. Of course, a fund can have a good year without being in the top 10%. For a more comprehensive comparison, we observed whether 1971's top funds were above or below average in 1975. We found that 61% of 1971's leaders were above average in 1975, and 39% were below average.

We next compared 1972 to 1976. These are the second years of bull markets. Here, there was greater divergence of performance. While five of the 53 top funds were in the top 10% both years, a full 60% of 1972's top funds sank to the bottom half of all funds in 1976. The emphasis on income stocks in 1976 may partially explain this disparity.

We then found that consistency of fund performance can be far greater within a bull market. Of the fifty funds that ranked in 1975's highest 10%, a full 19 were also in the top 10% in 1976 and 29—more than half—were in the top 20%, a year later. Finally, 88% of 1975's leaders—all but six—were in the top half of all funds in 1976.

These statistics are not conclusive. We didn't control for objective, beta or size. They seem to indicate that long run consistency is nowhere as high as the funds' declarations of management ability would presumably indicate, but that within shorter spans of time fund performance is more reliable.

The Almanac's Conclusions

As mutual fund experts, the *Almanac* holds the view that there are some superior fund managers who will outperform their brethren, at least over the short term. We think one of the fallacies of academic research is that it is typically conducted over a long period of time, during which the portfolio manager who made a fund successful may have moved on to a better job. We know of one estimate showing that money managers move, on average, every three years. Management ability is what is being analyzed.

Secondly, we think there are valid reasons why funds like Dreyfus were outstanding performers in their early years, but not now. In the case cited, the increased size alone changed the fund's character. With $1.4 billion and about 200 common stocks in its portfolio now, it is not surprising Dreyfus has slowed down. Finally, we don't expect the same funds to be on top *every* year because we know aggressive funds will be top rated in bull market years and conservative funds top rated in bear market years. To be even more precise, funds that have a policy of holding quality stocks will do better in one segment of a bull market, while funds holding speculative issues will shine in a different segment of a bull market.

Still, even though there are some superior performers, the fact remains that the vast majority of money managers, over the long run, are not likely to significantly better the averages adjusted for risk.

Again, this in no way implies that the professionals who "run" money are unskilled and incompetent. Quite the contrary, random walk theory has validity precisely because the

pros are so skilled, because they are so adept at finding values in the market when they exist.

In a few short pages, we have attempted to summarize hundreds of pages of research claims and counter-claims. The *Almanac* believes the most honest conclusion that can be drawn is that the random walkers' case has not been conclusively proven, although it has sufficient validity that its conclusions should be taken into account in planning your investment strategy.

Undoubtedly, the stock market is efficient. Whether it is *perfectly* efficient is still in doubt. News does not travel instantaneously as the random walkers suggest, and we doubt if there will ever be a time when all useful inside information is immediately disclosed to all.

The *Almanac* recommends heeding the random walkers' basic conclusions: Don't spend hours of time and money pouring over charts, earnings statements, and annual reports in search for the all-too-rare undervalued stocks. While you might occasionally uncover superior stocks, in the long run you will be better off buying a properly diversified portfolio of stocks and holding. This view of stock selection is also corroborated by other market studies which show that only about 10-20 percent of a stock's variation is due to factors intrinsic to the company. Fully half of all stocks' movement comes from the market itself, another 10-15 percent is due to industry factors, the balance to other miscellaneous factors.

How do random walk theoreticians feel about mutual funds? They recommend them! Witness Paul Samuelson: "A small man—anyone with a portfolio of, say under $100,000—is unlikely to do as well investing his own money as he can do in a no-load mutual fund."

Index Funds

Dearest to the hearts of the random walkers, though, are the index funds. These are no-load funds with minimal management fees which endeavor to approximate the performance of the popular stock market indices such as the S&P by holding a randomly selected portfolio of stocks long-term. Statistical studies have shown it is not necessary to buy all 500 stocks to achieve the same results; i.e., the Dow Jones industrial average, which can be thought of as a portfolio of 30 stocks, generally performs similarly to the broader S&P and NYSE indices.

Many major companies administering huge pension funds have abandoned the performance game and are now investing in index funds. In 1975, four affiliates of AT&T, whose 22 units control $12 billion in pension money, shifted $120 million to the three leading managers of index funds—Wells Fargo Bank in San Francisco, American National Bank of Chicago, and Batterymarch Financial Management Corp. of Boston. AT&T found that over ten years only about 20% of their outside pension fund managers had beaten the S&P index. One of the largest conversions to indexing came in 1977 when three New York City municipal pension funds traded almost half a billion of common stocks in a quiet deal called "Eagle" to achieve indexed portfolios.

In 1975 less than $1 billion was managed on an index basis. This increased to $4.2 billion in December 1977 and to $6.5 billion in 1978.

Money managers are trying index funds to save money on management fees, research and trading commissions. These savings can be substantial. Index fund managers charge one-tenth of a percent or less of the assets being managed. In contrast, active managers typically charge three- to five-tenths of one percent. The commissions paid when they buy stock are also very low since they have adopted passive trading strategies. Purchases are negotiated up to a week in advance for the lowest possible prices. Research is minimal; analysis focuses primarily on maintaining fiduciary quality. Potential bankrupts are weeded out.

In 1976, index funds were offered to the general public for the first time. The First Index Investment Trust, a no-load fund sponsored by the Vanguard-Wellington group, now owns the S&P 500 stocks with the same weightings. The fund's expense ratio was .30% in 1979, very nearly the lowest in the mutual fund industry (but larger than big institutional funds). First Index, with year-end assets of $79 million, is very closely tracking the S&P 500, although its performance lags slightly because of the fund's expenses.

Random walker Paul Samuelson offered investors the following advice in his *Newsweek* column of March 6, 1978:

Mutual-Fund Pooling

"For most people the best and simplest device is a no-load mutual fund, either of the common-stock, bond-income, money-market variety, or a combination of all three.

"There are hundreds of such funds. A couple of dozen of them have the lowest fees and superior diversification practices. I personally resist the temptation to switch to that small fund which happens to have scored the best "performance" record recently.

"When at long last I became a grandfather, my gift to young James went into the First Index Investment Trust, which at low expense tries to match the 500 diversified stocks of the Standard & Poor index. True, many funds beat the S&P in 1977, but James has a long life ahead of him and I want to go with the long-run odds. (Needless to say, I could do about as well with the Dreyfus, Fidelity, Scudder, and T. Rowe Price organizations, or a half-dozen other full-line services.)

A Case In Point

"For definiteness, here is a sample setup for a 53-year-old engineer earning $30,000 a year. Similar percentages might apply to a widow who just inherited $200,000.

1. Put *half* your net worth into a no-load, low-turnover stock fund like the First Index Investment Trust. Let all dividends and capital gains be automatically reinvested. Draw at your convenience what you want to live on or for vacations. (You will get only a half-dozen simple reports each year; from the year-end slip, you can file your tax return in ten minutes.)

2. Put one-third of your assets in a no-load municipal bond fund (like the Federated Tax-Free Income Fund or Warwick Municipal Bond Fund). You can write checks against this account, using it as a reserve of liquidity. As above,the bookkeeping is minimal. Municipal funds now yield about 5 percent free of Federal tax, and run some risks of capital gains or losses.

3. Keep one-sixth of your portfolio in a local insured bank, to pay small bills and for convenient instant access."

How To Utilize Random Walk Theory

Here are some investing recommendations that make sense whether you accept the random walker's hypothesis or not. Many of these recommendations will be developed more fully in a later section of the *Almanac*.

1. Decide whether to be in the market or not. As Dean LeBaron, president of Batterymarch Financial Management Corporation observed, "The index fund answers the equity question. It doesn't answer the asset allocation question." You don't need an average performance in a bear market, and in a bull market you would like an above-average performance but many would settle for an average one. (Random walkers do favor a buy-hold strategy, though, since long-term returns on equities are so favorable. These rewards were shown previously in the "Stocks, The Perfect Long-Term Inflation Hedge" section of the *Almanac*.)

2. Diversify your stock portfolio. Everybody agrees this is vital—and for individual investors the mutual fund is by far the most practical way of doing it.

3. Determine the amount of risk you want to bear; then buy mutual funds that provide that risk level. (See the *Almanac*'s section on telephone switching for the easiest way to adjust risk levels.)

4. Buy no-load funds to save the sales charge.

5. Look for funds that have shown superior performance. The *Almanac's* studies show that superior performance can often be maintained, at least over the short run.

ADVANTAGES OF MUTUAL FUNDS

If you are seriously interested in using the stock market in your effort to build a nest-egg for the future, mutual funds are the way to do it. The reasons follow:

Diversification: The Middle Road To Performance

The principal of diversification is of the utmost importance in minimizing the risks of investing in the stock market. While the investor cannot avoid "market risk," proper diversification enables him to avoid the risk of catastrophic loss that can occur in bear markets or when a company goes bankrupt. If you only own three or four issues, a disaster in one will pull down your whole portfolio. Even the finest stocks can go under: remember Penn Central, Equity Funding!

Even the most competent money managers have their share of poor selections. Table 4 shows the wide 1979 performance variations of the small growth companies held by the top performing New Horizons Fund. Its adviser, giant T. Rowe Price, has $8.5 billion under management. It includes among its many employees twenty-five securities analysts. Could you do better?

In a bear market many investors fare worse than the averages. This key point is underlined by the sharp decline in stock prices between December 31, 1972 and December 31, 1974. During this period the NYSE Index declined by 44 percent but the median unweighted price decline of all AMEX and NYSE stocks was 65.0 and 50.3 percent respectively. About three-fifths of the total number of stocks on both exchanges fell more than 50 percent, while almost three out of ten stocks plummeted 70 percent or more. Declines of this magnitude almost certainly hit poorly diversified portfolios with extra force.

Despite the general acceptance of the principle of diversification, it is not widely utilized in practice by the investing public. Studying this, Professors Friend, Blume and

Table 4

STOCK PERFORMANCE RECORD OF NEW HORIZONS FUND

Twelve Month Ended December 31, 1978

The ten best and ten worst performers of those common stocks presented in the portfolio as of December 31, 1979

TEN BEST PERFORMERS	Market Change	TEN WORST PERFORMERS	Market Change
Great Basins Petroleum	+338.4%	Denny's	—40.3%
Avantek	+184.6	Dual-Lite	—40.0
Maynard Oil	+159.6	Sea Containers	—32.0[3]
Rial Oil	+136.4[1]	Petrie Stores	—27.3
Color Tile	+129.3	Service Merchandise	—21.3
Tom Brown	+128.1	TeleSciences	—19.4[4]
Taylor Rental	+116.6	Arkansas Best	—16.4
Teradyne	+115.1	Oshman's Sporting Goods	—15.6
Quotron Systems	+111.8[2]	H. J. Wilson	— 9.4
Toys "R" Us	+108.1[3]	Data Terminal Systems	— 8.6

[1] From initial purchase in April, 1979
[2] From initial purchase in May, 1979
[3] From initial purchase in January, 1979
[4] From initial purchase in June, 1979

Crockett found that a surprisingly high proportion of the portfolios held by individuals are dominated by a very small number of issues; the portfolios are not well diversified.

This study found the portfolios of all income groups were poorly diversified. Individuals with adjusted gross incomes under $5,000 averaged 3.2 stocks per portfolio; the average number of issues remained under ten until an income of $100,000 was reached. For all income classes, the average number of stocks in portfolios were 4.5. Unquestionably, individuals are concentrating their holdings in a limited number of issues and taking on considerably more risk than is necessary.

The authors sought to explain why individuals might select undiversified portfolios. What follows is a brief summary of their reasoning. First, some investors may seek to obtain larger-than-average returns by consciously seeking to select a relatively few issues that they believe may perform in superior fashion; the corollary to this, of course, is that they are able and willing to assume a higher-than-average risk in search of these potential rewards.

Table 5

Number of Dividend-Paying Stocks Per Portfolio Classified by Adjusted Gross Income, 1971

Adjusted Gross Income Classes	Number of Dividend-Paying Stocks Per Portfolio*
Under $5,000	3.2
5,000 - 9,999	3.8
10,000 - 14,999	4.0
15,000 - 24,999	4.3
25,000 - 49,999	6.7
50,000 - 99,999	9.2
100,000 - 199,999	13.2
200,000 - 499,999	16.8
500,000 and Over	18.7
TOTAL	4.5

*Weighted averages of individual portfolios; based on sample data and expanded to universe estimates. Derived from study of "Stock Ownership in the United States: Characteristics and Trends," by Marshall E. Blume, Jean Crockett, and Irwin Friend Survey of Current Business, November 1974.

Second, other individuals may have unusually large holdings in a particular security in order to maintain effective control of the company. Third, over time, one or two securities with the highest returns will tend to dominate a portfolio if, because of tax considerations or other reasons, no adjustments are made. Fourth, some investors do not understand the principles of diversification.

Several other reasons for poorly diversified portfolios may be added to those provided by the authors. Some individuals place great importance on controlling their own investments and may not count the cost of exercising this privilege. Other investors clearly believe—rightly or wrongly—that they can outperform mutual fund managers; consequently, they see no reason for paying to have professionals manage their portfolios, even though charges to investors cover other services besides diversification. Finally, some individuals who have portfolios of moderate size may be discouraged from seeking even the theoretical minimum degree of diversification (eight issues) because the transactions costs of acquiring such a portfolio is significant; costs, of course, will increase further depending upon the rate at which the portfolio is turned over.

The estimate of the theoretical minimum number of issues required to achieve adequate portfolio diversification is based on a study by Lawrence Fisher and James H. Lorie, "Some Studies of Variability of Returns on Investments in Common Stocks," *Journal of Business*, April, 1970. This study shows that reduction in risk as measured by the degree of dispersion (narrowing of differences between hypothetical portfolios showing the lowest rates of return and the market average) is very significant with increases in portfolio size up to eight issues and more moderate thereafter. For ten-year holding periods, however, a significant reduction in dispersion is shown with increases in portfolio size up to 128 issues.

The cost of diversification, even to the tune of 20 or 30 issues, is beyond the reach of most investors. Mutual funds, however, are able to achieve a high degree of diversification mainly because the size of their transactions permits economies in cost.

With mutual funds, every purchase you make whether it is a $10,000 lump sum payment or a $25 payment on an accumulation plan is properly diversified. The advantages for investors making periodic payments are particularly great.

In summary, diversification can minimize risks associated with the poor performance of a particular security or industry group. Diversification, however, cannot protect investors from the risks associated with movements in the market generally.

Funds Have Lower Transaction Costs

Historically, commission rates on the New York Stock Exchange were the same for a given stock regardless of how many round lots (100 shares) were traded. There were no quantity discounts. This historical structure was developed before institutions became a force in the stock market. It failed to recognize the fact that the costs incurred in trading huge blocks of stocks were lower, and that brokerage firms could still make money handling large institutional transactions at lower commission rates.

In the face of institutional power this situation was untenable. On December 5, 1968 there was a breakthrough; a new rate structure was established on the NYSE giving a discounted commission rate for trades of 1,000 shares or more. This gave the institutions an advantage over the small investor. Then after some minor changes in commission rates in 1970 and 1972, fixed commission rates on portions of trades above $300,000 were eliminated in September 1973. Rates above this level promptly declined by more than half from the previous fixed levels. In addition, many institutions negotiated trades off the Exchange at even lower commission rates. Finally on May 1, 1975, the SEC completely abolished fixed commission rates for both institutions and individuals. This immediately started an all-out price war among brokerage firms with the institutions the prime beneficiaries.

The SEC has evaluated the effects on both institutions and individuals of the move to a free market system. Chart 5 shows that in the twelve months following the abolition of fixed commission rates, the SEC found that commissions paid on the average institutional transaction had declined 35%, from .84 to .54 percent of the value of the average trade. Commissions paid by individuals declined only 2%, *from 1.73 to 1.69 percent of the transaction's value.*

In terms of actual dollars paid per share, commission rates for institutions dropped 30%—from 26.0 cents a share to 18.2 cents. Rates for individuals declined 6%, from 30.0 cents per share to 28.1 cents.

The institutions had far more muscle even when they traded in small amounts! When less than 200 shares were traded, the institutions paid 1.15 percent of the value of the shares traded while individuals paid 2.07 percent of the value of the trades. That's 80% more!

That there is any discount at all for individuals is probably due to the advent of the discount broker who doesn't give advice or provide other services traditionally offered by brokers.

With mutual funds, individuals benefit from the institutions' buying power. The commission differential goes a long way toward paying the funds' management fees.

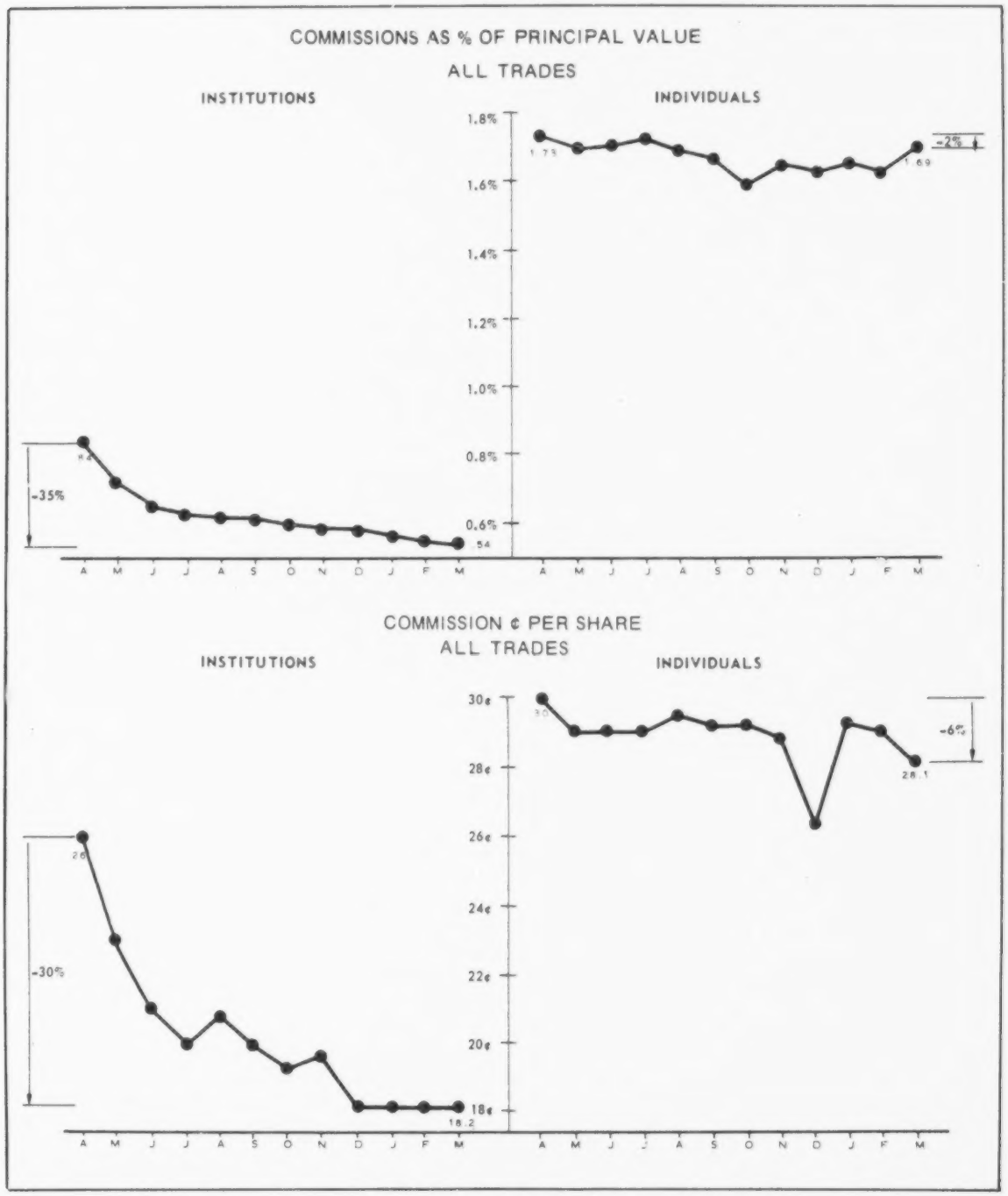
Professional Management

Whether you accept the random walk hypothesis or not, professional management earns its keep. Professionals know how to structure a portfolio to achieve various risk preferences. By that we mean that if a fund describes itself in the prospectus as a growth-income fund, its managers will buy conservative stocks to achieve that purpose. Similarly, the people who manage performance funds will buy riskier stocks in order to shoot for greater rewards. This sounds simple, but like many things, it isn't.

To illustrate: one of the tools modern fund managers use to achieve risk goals is beta analysis. Betas and a companion measure called alpha are a sophisticated way to measure risk and volatility based on complex statistical formulae called "least squares regression analysis." Betas measure risk by determining the historic volatility of a stock or a portfolio relative to the market. This type of analysis helps fund managers maximize profit

Chart 6

EFFECTIVE COMMISSION RATES SINCE APRIL 1975
NYSE Member Firms-Overall



Source: SEC, "The Effect of the Absence of Fixed Rates of Commissions," Aug. 10, 1976

for given levels of risk.

In addition, fund managers provide cheaper and better execution of trades as well as many convenient custodial and bookeeping services. They collect dividends and reinvest them, handle rights, warrants and proxies.

Liquidity

Your final reason for seeking a mutual fund is the so-called "liquidity" it brings you. As an investor in a mutual fund, you have the right at any time to sell back to the fund—redeem—your shares. In the case of no-load funds, the investor usually redeems by sending a letter to the fund or the custodian. With load funds, either a letter or a call to a qualified investment dealer will suffice. In either case you will receive fair market value at the time your sell order is received by the fund. In most cases redemption is at net asset value.

Compare this ease of selling to other forms of investments. Land and homes have been wise investments in recent years, but the difficulties of disposing of them are great. Exotic investments such as art, diamonds, rare stamps and coins are now in favor, but in most cases the investor buys at retail and sells back at wholesale, or with sizable broker fees. Savings banks provide an investment guaranteed against loss, but to achieve returns greater than the 5¼ percent typically offered in "regular" accounts, your money has to be locked up for varying periods of time. If you need money to buy a car, a house, settle an estate, or to meet emergencies, mutual funds can be liquidated easily.

In summary, the basic mutual fund concept remains as one of the most important financial services available to the American public. A quote from a recent study of the mutual fund industry sums it up very succinctly: "A well managed fund is the soundest, safest and most practical way for millions of investors with moderate means to share in the economy's long-range progress."

Do You Have Trouble Saving?

Can you save? Some can, most cannot. Even with today's inflated dollars, 53% of all adults save less than $10 a month. It's not uncommon to find two families of the same size, same income, and roughly the same standard of living. They live in houses with similar mortgage payments; their food and medical bills are similar, and perhaps even their vacation expenses. Yet one family will have substantial assets in the bank and in equities while the other family will have none.

What is the major difference in these families and how can you be like the financially adept family and not the spendthrifts? Financial planning experts will tell you all about shopping for specials and utilizing food leftovers. They will warn you about needlessly incurring interest expense and providing you with a dozen other time-tested tips. But this knowledge, more often than not, won't make the difference between the two families.

The important distinction is one's *attitude* about saving. That's what makes the difference! With this in mind, the *Almanac* pinpoints four reasons why family number two can't turn down the road to saving. If you fall in this category, read the following closely—and you too shall learn some of the pitfalls to be wary of, and how to accumulate savings (to be invested in mutual funds, of course):

I'll luck out. Well, somebody does win the big sweepstakes or the long shot at OTB (Off-Track Betting), and for some a trip to the Nevada gaming tables is enriching. But don't count on it. That isn't the way to start a savings program.

The slow, steady approach is a long-time sure winner over the long shot. The odds are lower, but they are with you all the time.

Nickels and dimes aren't worth worrying about. The worst misconception of all. Nickels and dimes do add up. If you save just 10 cents per day and compound it annually at 9%, in twenty years it will add up to a very substantial $1,900. If you save 25 cents a day, foregoing a cup of coffee, in twenty years you will have saved $4,800. (This is not meant to be an estimate of coffee prices.)

Procrastination. I'll start saving tomorrow. This sort of wishful thinking may be all right for pro-forma New Year's resolutions, but savings are too important. Make time work for you instead of against you. You need to start your money compounding now.

Impulse-buying. The greatest enemy of

Financial Picture

ANNUAL FAMILY INCOME

- wages
  - self
  - spouse
- interest
- dividends
- other

TOTAL $

Monthly income

ASSETS (list current value)

- total cash
- total investments
- cash value/insurance
  - whole life
  - savings
- automobile
- furniture
- personal property
- other

TOTAL $

LIABILITIES (owed) (monthly payments)

- mortgage
- bank loans
- personal loans
- auto loans
- charge accounts

TOTAL $ $

MONTHLY EXPENSES (amount)

- insurance payments
- taxes
- rent
- entertainment
- charitable contributions
- household (includes food, clothing, utilities, medical, education, etc.)
- transportation and car maintenance
- other

TOTAL $

TOTAL available for savings and investment:

MONTHLY INCOME $

MINUS EXPENSE $

INVESTMENT GOALS (amount) (when needed)

- retirement
- education
- down payment on house
- vacation
- personal items
- other

CASH AND SAVINGS (current value)

- checking accounts
- savings accounts
- savings certificates
- credit union accounts
- other

TOTAL $

INVESTMENT ASSETS (current value)

- house
- other real estate
- common and preferred stock
- corporate and municipal bonds
- U.S. government bonds
- mutual funds
- annuities
- business interests
- other

TOTAL $

INSURANCE REVIEW (amount of policy) (annual premium)

- individual life insurance
- group life insurance
- health insurance
- disability income insurance (monthly income)
- other

TOTAL $

saving. Merchants know this is the easiest way to ring up extra sales. That's why they set up attractive displays near the cash register. In most cases the item bought on impulse isn't really needed; so don't succumb to impulse buying.

How To Plan For Your Financial Future

A tangible assessment of your financial worth is basic to a well-thought out investment plan. You need to know how much money you have to work with, where you should look to cut spending, and whether you are making the best use of any investements you already have. Knowing this will give you a better idea of how to put any money not already budgeted to good use.

The form (page 27) will enable you to get a fix on your financial picture. On your asset side, in addition to your income, include such items as retirement plan benefits and dividends from investments. Under liabilities, don't overlook car maintenance, insurance and house payments, etc. By subtracting your expenses from your income, you'll see how much money you have left over. And that will help you decide how much you can save or invest.

OBJECTIVES, RISKS, AND REWARDS

To win the trust and confidence of prospective shareholders, many mutual funds choose impressive names and trademarks for themselves. And so, we see a mighty lion, four hands in the tradition clasp of faith, and such inspiring symbols as minutemen, pyramids, balanced scales, knights in armor, sailing vessels and castles.

A number of funds like to be identified with our national origins and have chosen such names as Concord, Lexington, Pilgrim and Puritan, or Liberty, Independence and Freedom.

But more important than a fund's name and trademark is its investment objective and policy. This is stated in its prospectus, as required by law.

There are funds catering to a wide range of financial situations—and to a wide range of fancies. Investors may choose from:

—Income Funds
—Balanced Funds
—Growth and Income Funds
—Middle-of-the-Road Funds
—Growth Funds
—Performance Funds
—Hedge Funds
—Open-End Funds
—Closed-End Funds
—Funds for Conservative Investors
—Funds for Speculative Investors
—Money Market Funds
—Funds for Special Industries
—Funds for Special Regions
—Bond Funds
—Option Funds

But this wide choice creates problems: How does an investor make an intelligent selection from this confusingly wide array of funds? When you scan a list of 514 mutual funds, the problem of selection might at first seem overwhelming. But the process becomes a great deal easier once your own goals for fund investment are analyzed; then it becomes a clear-cut case of finding the proper category of funds. Then you can zero in on specific funds in that category and investigate their investment objectives and their policies.

Let's look at the objectives of various types of funds to see which are suitable for you:

Growth Funds

Once upon a time most funds followed similar conservative investment policies and, as a consequence, dramatic differences in performance results were rare. These funds were sold to meet such goals as retirement icome.

The picture began to change when some fund managers discovered that by achieving greater gains, investor interest could be stirred. This led to the development of the growth fund with its emphasis on the production of capital gains rather than current income. Due, in part, to the prosperity America has enjoyed in the years following World War II, growth funds now constitute the largest category of mutual funds. Presently, there are about 230 of them.

Growth funds aren't all the same and any classifications are somewhat arbitrary. However, for convenience we have divided them into two categories: long-term growth funds and performance funds.

Long-Term Growth Funds

These are often referred to as middle-of-the-road funds, diversified common stock funds, quality growth funds or simply growth funds.

Over the long-run, these funds, by emphasizing stocks of companies and industries with the greatest long-term growth potential, have fared well. They are ideal for the long-term investor seeking to keep abreast of inflation.

You may be a candidate for this type of fund if you are looking ahead to finance your children's college educations or trying to build a nest-egg for retirement. Typically, growth funds are best suited to the needs of younger investors willing to assume some risk in the hope of building greater future equity. The Putnam Investors Fund and Johnston Capital Appreciation Fund—a load and no-load—are both classified as growth funds by the *Almanac*.

Performance Funds

Also called "go-go" or maximum capital

Table 7

The Difficult Arithmetic of "Breaking Even"

If A Fund Drops the Following % Amount	Needs to Rise This % Amount for You to Become Even
5% (from 100 down to 95)	5% (from 95 up to 100)
10% (from 100 down to 90)	11% (from 90 up to 100)
15% (from 100 down to 85)	17% (from 85 up to 100)
20% (from 100 down to 80)	25% (from 80 up to 100)
25% (from 100 down to 75)	33% (from 75 up to 100)
30% (from 100 down to 70)	42% (from 70 up to 100)
35% (from 100 down to 65)	53% (from 65 up to 100)
40% (from 100 down to 60)	66% (from 60 up to 100)
45% (from 100 down to 55)	81% (from 55 up to 100)
50% (from 100 down to 50)	100% (from 50 up to 100)
55% (from 100 down to 45)	122% (from 45 up to 100)
60% (from 100 down to 40)	150% (from 40 up to 100)
65% (from 100 down to 35)	185% (from 35 up to 100)
70% (from 100 down to 30)	233% (from 30 up to 100)
75% (from 100 down to 25)	300% (from 25 up to 100)
80% (from 100 down to 20)	400% (from 20 up to 100)
85% (from 100 down to 15)	566% (from 15 up to 100)
90% (from 100 down to 10)	900% (from 10 up to 100)
95% (from 100 down to 5)	1900% (from 5 up to 100)

gains funds. A phenomenon of the sixties, these are speculative funds designed to take greater risks for greater possible gains. Even today the top-ranked funds are often performance funds—usually small ones, under $100 million in assets. Performance funds often buy stocks of small unseasoned companies, stocks with relatively high P/E multiples and stocks whose prices are volatile. Some performance funds employ leverage—i.e., buy stocks on margin by borrowing.

Despite their speculative character, performance funds represent a good way for the sophisticated investor to participate in high-potential investments. Since risk is diversified, a sharp decline in one or two stocks is not a catastrophe.

Performance funds are the most volatile of all funds. When you buy a performance fund, you can expect greater gains in good markets; but, on the other hand, be prepared for greater losses in bad markets. In 1971 the no-load performance fund Nicholas Strong was up 85.5%, the number one fund that year. In 1972 Nicholas Strong grew 28.1% and ranked 18th among all funds. In 1973 and 1974, the stock market declined and Nicholas Strong, as expected, declined at a far greater rate than the market. It was off 68.6% in the two bear market years. In 1974, one of the founders, Strong, left and the fund was renamed the Nicholas Fund. The fund then had outstanding gains in 1975, 1976, 1977, 1978 and 1979. At the end of 1978 it was still 14% behind its December 1972 level. A strong performance in 1979 finally put it ahead of its level seven years before! So if you wish to invest in performance funds, you should consider selling them if you feel a bear market looms.

Otherwise, you will be the unwitting victim of what mutual fund author A.M. Watkins has termed the "super-loss" factor. Sharp losses suffered by volatile mutual funds or stocks can impose a special handicap on an investor because of a unique statistical quirk of which many investors are unaware. Gain and loss figures work out so that a percentage loss in an investment must be followed by a percentage rebound greater than the loss just to bring you back even again. For example, a fund that declines 20% must come back 25% just to make you even. A sharper 50% loss requires a 100% rebound for you to regain your initial capital! The table illustrates the rise needed to break even after various declines.

Hedge Funds

A hedge fund is a variation on the performance fund concept, cashing in on the fact that while certain stocks are going up, other stocks are going down. The hedge fund management not only tries to pick the winners, it also bets on the losers, selling "short" the stocks the management believes will go down.

In a short sale, the investor borrows shares from a brokerage house and sells them, hoping that the market price for the shares will drop. If this happens, the investor buys shares to replace those he borrowed and the difference between the price he sold the borrowed shares at and what he has to pay for the replacement shares is profit—less commission, of course. The term is also used to denote any aggressively managed high risk fund.

Growth-Income Funds

While it is sometimes difficult to distinguish between performance funds and growth funds because they are variations on the same theme, growth-income funds are clearly different.

This type of fund not only seeks capital gains, it also looks for stocks that pay dividends. Such funds state clearly in the literature they prepare for the public that they plan to seek relatively stable income as well as capital gains. In 1979 they provided a dividend yield averaging 4.3 percent.

Since growth-income funds look for capital gains too, keep in mind they *will* follow the market, whether up or down. On the other hand, they are very suitable for conservative investors; they offer greater stability and will not fluctuate nearly as widely as the speculative "go-go" funds, particularly in down markets.

By providing diversification growth-income funds can be a better investment than owning only one or two stocks, even the safest dividend payers. Consider the plight of sixty-year-old Glen Griffith and his wife. Mr. Griffith is a retired employee of New York's Consolidated Edison Co. According to a *Wall Street Journal* article, in early 1974, Mr. Griffith and his wife were living in Florida on social security and company pension payments of more than $800 a month—plus a useful bonus of $1,980 a year in dividends. That is, it would have been $1,980 a year if Con Edison had maintained the dividend that it had paid without interruption since 1885.

But on June 15, 1974, Con Edison abruptly omitted its usual 45 cents per quarter dividend; the stock's market value dived, and the Griffiths found their retirement income potentially cut by 19%. It was not until 1977 that the Con Ed dividend was fully restored. The Griffiths, and thousands of others, would probably have fared better if they had diversified in mutual funds.

This group includes the oldest mutual fund in the country, the $1.1 billion Massachusetts Investors Trust, which began operations in 1924. Other billionaire members of this group of funds are Affiliated Fund, Investors Stock Fund and The Investment Company of America.

Income Funds

These funds are specifically designed to produce the highest dividends—of primary importance to investors who need liberal current income and don't expect to see much in the way of capital gains.

Income funds can be grouped into two subcategories. About half are flexibly diversified, which means they hold varying proportions of common stocks, preferred stocks, and bonds. In 1979 the average dividend yield of flexibly diversified funds was 7.5%. The other half primarily hold bonds. Their average dividend yield in 1979 was 9.6%.

Bond Funds

Income is the primary objective of bond funds. Since bond prices fluctuate with changing interest rates, there is some risk involved despite their conservative nature. In 1974 declining bond prices reduced the income funds' total return—changes in asset values plus dividends—even though interest yields were at a very high level. For example, the no-load Northeast Investors Trust, holding mostly corporate debentures, declined 7.5% because of falling bond prices, even though the fund's yield was a high 9.4%. On the other hand, when *interest* rates declined in 1975, Northeast's total return rose dramatically to 17.2%; this included 9.1% from income.

There are two significant advantages in buying bond funds rather than buying bonds directly. The bond fund is more liquid. It can always be sold at net asset value, while the small investor may incur deep discounts from the round-lot bond price if he sells less than $100,000 of a typical issue. Secondly, as with stocks, there is the advantage of diversification. Bonds and their interest payout aren't always guaranteed, as some Penn Central bond holders found out. Yields can often be improved since diversification spreads risk. The fund can hold lower grades of bonds with greater returns than you as an individual might care to own.

Bond funds are not all the same. Some specialize in buying high-grade bonds, others in low-grade corporate debentures, a more speculative form of investment. For example, the Keystone Group has three separate bond funds ranging from its most conservative Investment bond Fund to the Keystone Discount Bond Fund, which involves riskier issues and foreign issues with wider price fluctuations.

These funds offering low grade, high yielding bonds are colloquially termed "junk bond" funds. They have suddenly become quite popular and many new ones have been organized. The *Almanac* tracks twelve high-yield corporate bond funds.

A few funds specialize in convertible debentures (including dividend-paying convertible preferred stocks). Convertibles are securities that can be exchanged for the common stock of the issuing company. These funds can resist downtrends because their interest income cushions prices, yet can participate in bull markets because of the conversion potential.

Municipal Bond Funds

In April 1976, a new type of mutual fund was born. The Kemper Municipal Bond Fund became the first fund to provide both continuous professional management and tax-free income. A few months later, the Fidelity Municipal Bond Fund became the first no-load fund investing in municipal bonds. Both funds were limited partnerships end-running the then existing law which prevented mutual funds organized as corporations from distributing tax-exempt income to their shareholders.

Shortly thereafter, there was a major breakthrough. The Tax Reform Act of 1976 permitted, for the first time, investment companies organized as corporations to pass along the benefits of tax-free income. With this new flexibility, many of the fund industry's best-known names rushed to bring out municipal bond funds. Middle- and upper-income investors responded eagerly because they now find themselves in tax brackets in which tax-free income can be utilized to good advantage. The 1980 *Almanac* provides data for 42 municipal bond funds.

These funds are similar to, yet different in many respects from the unit trusts that have long been available. The unit trusts are fixed, self-liquidating, non-managed portfolios of municipal securities while the funds are fully managed. Each investment vehicle has its advantages and its disadvantages. Both the funds and the trusts provide important diversification, custodianship, coupon clipping and record-keeping services. Both provide periodic reports and interest checks to shareholders. The main differences are in the rate of return, degree of liquidity, sales charges and management fees, reinvestment of dividends, ease of investment and presence of management.

Liquidity: The mutual funds are unquestionably more liquid, particularly the no-loads. Mutual funds will redeem shares, free of charge, allowing the investor to move in and out of the fund. If shares appreciate, the fund investor can easily take his capital gain. Many funds also offer an exchange privilege allowing investors to transfer money into other types of funds within the same management group. In contrast, the trusts, because there is a 3½ to 4½% sales charge, are designed for the longer-term investor. However, the trusts do have a secondary market where units may be sold without charge. If a secondary market is not maintained, the holder can redeem his holdings with the trustee. Load mutual funds are quite similar in character to the trusts because the sales charge, from 3.60% to 4.75%, discourages in-and-out trading in the early years. Load funds still are more liquid than the trusts if they are part of a group offering an exchange privilege.

The effect of charges on return: The trusts have few expenses beyond their initial sales charge. There are no management fees and the trustee's and evaluator's fees are about .14% annually. This contrasts sharply to the mutual funds whose maximum operating expense ratios run from .75% to 1% or more. This means that over the long run, after their sales charges are amortized, the trusts can offer a higher rate of return. In addition, this rate of return is essentially fixed; the investor knows from the beginning what it will be. With a trust, it is easy to "lock in" a high yield. In contrast, the portfolios and the return on managed mutual funds will vary over time. Moreover, as their bonds are traded, there can be capital gains or losses which have tax consequences.

Where does the breakeven point between a trust and a no-load mutual fund lie? Here is the answer based on a hypothetical trust and

no-load fund owning identical portfolios.

Assume an expense ratio of .75% for the fund and .14% for the trust. Then add the trust's 3.5% sales charge (3.627% of money actually invested). It would take about six years for the fund's larger management fee to equal the trust's fees (3.627% divided by the difference between .75% and .14%). In this comparison, if an investor plans to hold more than six years, he would obtain a better overall yield from the trust; under six years the no-load would offer a greater return.

Ownership of a municipal bond trust is clearly more advantageous than ownership of a load mutual fund because both have initial sales charges, while the trust has no management fee. The exception would be if an investor planned to switch to a common stock or money market fund in the same load fund group. However, since there are no-load groups offering similar exchange privileges, there is no necessity to buy a load municipal bond fund for this reason.

In our illustration, we assumed identical portfolios for ease of computation. Of course, portfolios do vary. One structural difference is that the funds, planning to buy and sell their bonds when the occasion demands, concentrate their holdings among more actively traded issues than the trusts in order to minimize transaction expenses. The trusts can buy inactively traded bonds which command a yield premium. On the other hand, the funds' ability to manage their portfolios *may* make up for this benefit the trusts have. The trusts have been burdened with souring bonds they are unable to sell off. During 1974's interest rate crunch, some trusts, offered originally in the low-interest 1960s, lost a third of their value.

For you to determine how a specific fund compares to a specific trust, first see if their portfolios are of roughly equal quality (explained in point number five in the next section: How to Select a Fund). If they are by and large the same, subtract the fund's current yield from the trust's current yield. Multiply this difference by the number of years you plan to hold. If the result is less than the trust's sales charge, buy the fund; if not, buy the trust. If the portfolios differ significantly, a penalty must be applied against the riskier portfolio. This is a rough estimate which gives no credit for the fund's management ability.

The mutual funds have two ways of exercising management ability. Generally speaking, the funds will 1) endeavor to exchange existing bonds for more attractive ones, and 2) to move defensively, selling off a portion (seldom more than 20%) of the portfolio if they anticipate that movements in the general level of interest rates will adversely affect bond prices.

Another advantage the trusts have is they are always fully invested, whereas the funds must keep a certain amount of cash on hand to meet possible redemptions. The funds' prospectuses generally state they can keep 10-20% of their assets in short term money market instruments paying what may be a lower rate of interest— and taxable to boot.

Reinvestment privilege: The funds have other advantages. Most important is the privilege of reinvestment of dividends. Many investors in tax brackets that make municipal bonds desirable do not need current income.

The dividends from the trusts often dribble in monthly in small amounts. For example, one Municipal Investment Fund pays $5.56 monthly per thousand dollars of face value. It will take a while to accumulate enough dividends to reinvest in other trusts. The funds have the capability of reinvesting tax free income so that it compounds to produce more income tax free. Monthly compounding in a mutual fund can increase a 5.7% return to 5.90%.

Recognizing this major liability, the Nuveen Corporation, which pioneered the trusts, now permits their investors to reinvest their interest payments into a load mutual-fund. No sales charge is paid for the reinvestment privilege. Similarly, Merrill Lynch now permits Municipal Investment Trust investors to reinvest without charge into a special open-end fund.

A safe investment: Notwithstanding New York City's well publicized problems, municipal bonds are a safe investment. The total dollar volume in municipal bond defaults from 1945 through 1975 was about $500 million, with $334 million represented by three large revenue bond issues. The $500 million is only about one-quarter of one percent of all municipal bonds outstanding as of the beginning of 1975. By way of comparison, in the 1970s the collapse of the Penn Central and

other major failures led to an estimated $1.3 billion in defaults in corporate bonds through 1975.

How To Select A Municipal Bond Fund

The appeal of municipal bonds is directly related to your tax bracket; the higher the bracket, the greater the effective rate of return. Table 11 should help you decide if you can benefit from tax-free income.

Since 1977 it has become harder to determine one's tax bracket. The IRS's tax rate schedules X, Y, and Z list tax brackets, just as they have for years. But if your taxable income is less than $20,000 ($40,000 on a joint return) chances are you will use the new tables A through D, which don't list your tax bracket.

You can easily find your bracket by converting table income to schedule income. Subtract $750 times the number of exemptions you claimed from "tax table income" on line 34 of the 1979 Form 1040. If, for example, the figure you get is between $35,200 and $39,200 on a joint return, Schedule Y shows 42% as your tax bracket. At income of $39,200 your bracket jumps to 45%.

Additionally, realize that with municipal bond funds, only federal income tax is excused; most state taxes must still be paid. Table 12 details the tax liabilities in the various states.

If you decide the open-end municipal bond fund is most advantageous for you personally, there is the selection problem. Here are guidelines to enable you to select the best municipal bond funds.

Table 8

Find your taxable income and read across.

Taxable income*		Tax	To equal a tax-free yield of:			
Joint return	Single return	Bracket	5%	5½%	6%	6½%
			a taxable investment would have to earn:			
$ 20,200— 24,600		28%	6.94%	7.64%	8.33%	9.03%
	$ 15,000— 18,200	30%	7.15	7.86	8.57	9.29
$ 24,600— 29,900		32%	7.35	8.09	8.82	9.56
	$ 18,200— 23,500	34%	7.58	8.33	9.09	9.85
$ 29,900— 35,200		37%	7.94	8.73	9.53	10.31
	$ 23,500— 28,800	39%	8.20	9.02	9.84	10.66
$ 35,200— 45,800		43%	8.78	9.64	10.52	11.42
	$ 28,800— 34,100	44%	8.93	9.81	10.71	11.60
$ 45,800— 60,000	$ 34,100— 41,500	49%	9.80	10.79	11.77	12.75
$ 60,000— 85,600		54%	10.88	11.96	13.04	14.14
	$ 41,500— 55,300	55%	11.11	12.22	13.33	14.44
$ 85,600—109,400		59%	12.20	13.41	14.63	15.85
	$ 55,300— 81,800	63%	13.51	14.86	16.21	17.56
$109,400—162,400		64%	13.89	15.28	16.67	18.06
$162,400—215,400	$ 81,800—108,300	68%	15.64	17.20	18.76	20.30
$215,400 & over	$108,300 & over	70%	16.67	18.33	20.00	21.67

1. Buy *no-loads*, the sales commission for a load fund is the equivalent of nearly a year's interest.

2. Look for the *lowest management fees* and lowest maximum expense ratio. Expense ratios are relatively unimportant with common stock funds, but are most important for bond funds since expenses are subtracted directly from your yield. The management fee is usually a fixed percentage of total assets.

3. *Buy a large fund.* Large funds, say $100 million or more in total assets, will generally have lower expense ratios than small funds. Large funds could also have more buying muscle in the secondary markets and have more flexibility in diversifying their portfolios.

4. *Management ability* is unquestionably important but hard to determine. The prospectus may give some indication. Performance often tells the story. Management skill is needed to make good bond selections and to capitalize on market fluctuations.

5. *What is the risk?* Some funds are buying conservative lower yielding bonds. Others, higher yielding more speculative bonds. You can get an indication of their policy from the prospectus. Bonds are often rated by grades although this is far from an absolute indication of their quality. Most funds use either Standard & Poor's or Moody's rating system. S&P rates the best quality, "prime" bonds, AAA. The next lower rating, still a "high grade" is AA. "Good grade" bonds are A and "medium grade" bonds are BBB. Moody's has similar ratings: Aaa, Aa, A and Baa.

The prospectus will state the fund plans to hold only bonds BBB or better, or 80% A or better, etc. The greater the proportion of bonds with the highest ratings, the more conservative the portfolio. Many funds are also permitted to purchase some unrated bonds that they believe have the investment characteristics of bonds in the top three or four rating categories. It is when they select unrated bonds that the funds best demonstrate their superior professional expertise. All funds indicate they will hold some monies in short term securities, usually taxable, for various reasons including defensive ones, i.e., "due to market conditions" or "in anticipation of a decline in the value of portfolio securities."

Table 9

State income tax treatment of municipal bond interest.

State	INDIVIDUALS		CORPORATIONS	
	Own State	Other States	Own State	Other States
Alabama	NT	T	NT	T
Alaska	NT	NT	NT	NT
Arizona	NT	T	NT	T
Arkansas	NT	T	NT	T
California				
Franchise Tax	NT	T	T	T
Income Tax			NT	T
Colorado	T(1)	T	T(1)	T
Connecticut	None	None	T	T
Delaware	NT	T	NT	T
Distr. of Col.	NT	NT	NT	NT
Florida	None	None	T	T
Georgia	NT	T	NT	T
Hawaii	NT	T	NT	T
Idaho	T	T	T	T
Illinois	T	T	T	T
Indiana	NT	NT	NT	NT
Iowa	T	T	T	T
Kansas	T(1)	T	T(1)	T
Kentucky	NT	T	NT	T
Louisiana	NT	T	NT	T
Maine	NT	T	NT	NT
Maryland	NT	T	NT	NT
Massachusetts	NT	T	T	T
Michigan	NT	T	NT	T
Minnesota	NT	T	T	T
Mississippi	NT	T	NT	T
Missouri	NT	T	NT	T
Montana	NT	T	NT	T
Nebraska	NT	NT	NT	NT
Nevada	None	None	None	None
New Hampshire	NT	T	NT	NT
New Jersey	None	None	T	T
New Mexico	NT	NT	NT	NT
New York	NT	T	T	T
North Carolina	NT	T	NT	T
North Dakota	NT	T	NT	T
Ohio	NT	NT	NT	NT
Oklahoma	T	T	T	T
Oregon	NT	T	T	T
Pennsylvania	NT	T	NT	NT
Rhode Island	NT	T	T	T
South Carolina	NT	T	NT	T
South Dakota	None	None	None	None
Tennessee	NT	T	NT	T
Texas	None	None	None	None
Utah	NT	NT	T	T
Vermont	NT	NT	NT	NT
Virginia	NT	T	NT	T
Washington	None	None	None	None
West Virginia	NT	T	NT	T
Wisconsin	T	T	T	T
Wyoming	None	None	None	None

NT=Not taxable
None=No taxes
T=Taxable
(1)=General obligation bonds

6. Check *secondary benefits.* Various funds offer expedited redemptions including check writing, daily declaration and compounding of interest and reinvestment, withdrawal accounts and switching to other funds in the same group.

Common Stock Funds

This term applies to all funds that invest primarily in common stock.

More than nine out of ten mutual funds fall

into this broad category, which encompasses funds of greatly varying risk factors.

Diversified vs. Non-Diversified Funds

A high percentage of all mutual funds are diversified. According to the Investment Company Act, these funds must keep 75 percent of their assets well diversified. A fund classified as non-diversified can theoretically concentrate its entire assets in one stock. But to gain maximum tax benefits—a powerful incentive—they must keep no more than 25 percent of their assets in one issue and at least half their assets (instead of 75 percent) well diversified. The Sherman, Dean Fund, 1974's top-ranked fund is non-diversified. It now holds five stocks.

Balanced Funds

Years ago, the balanced funds were the stars of the mutual fund business and enjoyed a healthy share of all fund sales. Today they are in a relative backwater position. Their former eminence is known to everyone familiar with the big names that carried most of the glamour when the balanced funds held sway. While only 4% of all funds are balanced, they include the largest fund—the $1.5 billion Investors Mutual—and the $600 million Wellington Fund. Even today, these two alone account for 4.3% of the assets of the entire mutual fund industry (excluding money market funds).
provide both long-term capital appreciation and income. But it does it more deliberately than a growth and income fund, whose portfolio consists primarily of common stocks. The balanced fund has a more conservative investment policy; it attempts to minimize risk by investing a substantial portion of its assets (25-40%) in so-called senior securities—bonds and preferred stocks.

There are less than two dozen balanced funds of any consequence around today. Most of them were in existence before 1940. We tend to forget that these funds reflected the economic climate of the 1930's when portfolio managers were concerned with a company's physical assets and the stability of its income, dividends and yield. Only a handful of new balanced funds have come into being in the last twenty years. In fact, on March 2, 1977, The Scudder, Stevens & Clark Balanced Fund—the industry's first no-load fund, established in 1928—changed its investment objective (and name) to income. Scudder believes this is a progressive step which will enhance current income.

Industry Funds

If you are an insurance broker or a banker and you know your industry well, you might want to invest in a mutual fund which specializes in your industry. There are a dozen odd industry funds available. Insurance industry funds include Century Shares Trust and Life Insurance Investors. The Franklin Custodian Funds' Utilities Series seeks out the best in the utilities field. The Chemical Fund has a long and distinguished record of investing in companies involved in some form of chemistry. "Gold-bugs" can consider ASA, Ltd., Golconda Investors, International Investors, Research Capital or United Services.

The industry funds can be grouped into two categories; those heavily concentrated in their industry and those who name perhaps suggests more of a concept than true specialization. The Bank Stock Fund is an example of the former; the Chemical Fund is an example of the latter. The fund's prospectus now permits investments in companies engaged in the chemical, chemical process and *related* scientific fields. Related fields include drugs, nutritional products, toiletries and cosmetics, computers and computer software, paper, fertilizer and seeds, minerals, office and petroleum products.

The Energy Fund seeks out natural resource companies that produce oil, gas and coal as well as investing in newer sources of energy such as thermal and solar power. To illustrate how its portfolio reflects this objective, we have reproduced it in full in table 13. The majority of the portfolio consists of common stocks of "energy sources and products" companies, but broader diversification is provided by the inclusion of general growth companies.

Table 10

The Energy Fund Portfolio

Statement of Investments in Securities as of December 31, 1979 (Unaudited)

Number of Shares		Market Value
	COMMON STOCKS (78.1%)	
	ENERGY SOURCES AND PRODUCTS	
	Oil (22.4%)	
60,000	Standard Oil Co. (Ohio)	$ 5,302,500
35,000	Superior Oil Co.	4,620,000
72,400	Mesa Petroleum Co.	4,260,650
60,000	Kerr-McGee Corp.	4,065,000
50,000	Atlantic Richfield Co.	4,018,750
50,000	Getty Oil Co.	3,687,500
40,000	Cities Service Co.	3,340,000
60,000	Mobil Corp.	3,315,000
85,000	Imperial Oil Ltd. "A"	3,208,750
70,000	Cabot Corp.	3,202,500
58,500	McMoran Oil & Gas Co.	3,005,437
60,000	Allied Chemical Corp.	2,947,500
30,000	Gulf Canada Ltd.	2,857,500
50,000	Standard Oil Co. of California	2,818,750
50,000	Crown Central Petroleum Corp.	2,743,750
70,000	Apache Corp.	2,450,000
50,000	Ocean Oil & Gas Co. "A"	2,337,500
34,500	General American Oil Co. of Texas	2,087,250
40,000	Mesa Royalty Trust Units	1,505,000
		61,793,337
	Gas (15.0%)	
70,000	Texas Eastern Corp.	4,655,000
100,000	Transco Companies Inc.	4,337,500
100,000	Tenneco, Inc.	3,875,000
55,000	Texas Oil & Gas Corp.	3,368,750
50,000	Northern Natural Gas Co.	2,925,000
100,000	Enserch Corp.	2,912,500
50,000	Southern Natural Resources, Inc.	2,700,000
108,400	Arkansas Louisiana Gas Co.	2,696,450
100,000	Coastal Corp.	2,350,000
80,000	Petrolane, Inc.	2,280,000
100,000	El Paso Co.	2,275,000
125,000	Entex, Inc.	2,250,000
50,000	Peoples Gas Co.	2,093,750
21,700	United Energy Resources, Inc.	1,348,112
100,000	Valero Energy Corp.	1,200,000
		41,267,062
	Coal (1.3%)	
100,000	MAPCO, Inc.	3,662,500
	Chemicals (1.1%)	
100,000	Diamond Shamrock Corp.	3,150,000
	Utilities—Electric and Gas (2.6%)	
50,000	Houston Industries, Inc.	1,456,250
70,000	Utah Power & Light Co.	1,181,250
50,000	Baltimore Gas & Electric Co.	1,106,250
50,000	New England Electric System	1,106,250
50,000	Texas Utilities Co.	867,500
40,000	Public Service Co. of New Mexico	730,000
50,000	Tucson Electric Power Co.	725,000
		7,192,500
	ENERGY—COMPONENTS, SYSTEMS AND EQUIPMENT	
	Unique Energy Processes (1.5%)	
75,000	Archer-Daniels-Midland Co.	$ 2,315,625
75,000	Thermo Electron Corp.	1,959,375
		4,275,000
	Petroleum Services (10.3%)	
100,000	NL Industries, Inc.	3,450,000
40,000	Halliburton Co.	3,400,000
35,000	Schlumberger Ltd.	3,281,250
70,000	Reading & Bates Corp.	2,983,750
75,000	Western Co. of North America	2,925,000
60,000	Noble Affiliates, Inc.	2,820,000
50,000	Dresser Industries Inc.	2,600,000
50,000	Parker Drilling Co.	1,881,250
100,000	Anglo Co. Ltd."A"	1,850,000
30,000	SEDCO, Inc.	1,736,250
100,000	Pengo Industries, Inc.	1,375,000
		28,302,500
	Aerospace (6.1%)	
75,000	General Dynamics Corp.	4,537,500
75,000	TRW, Inc.	2,878,125
60,000	Martin-Marietta Corp.	2,790,000
50,000	Boeing Co.	2,531,250
50,000	Loral Corp.	2,531,250
50,000	E-Systems, Inc.	1,643,750
		16,911,875
	Generating Apparatus and Energy Conversion Machinery (1.8%)	
60,000	Combustion Engineering, Inc.	3,555,000
30,000	General Electric Co.	1,522,500
		5,077,500
	Communications (0.4%)	
20,000	CBS Inc.	1,047,500
	Electronic Data Processing (2.9%)	
50,000	Xerox Corp.	3,106,250
50,000	Control Data Corp.	2,712,500
50,000	Perkin-Elmer Corp.	2,100,000
		7,918,750
	Mining, Metals and Materials (7.1%)	
100,000	AMAX, Inc.	4,562,500
50,000	Union Pacific Corp.	3,612,500
50,000	Freeport Minerals Co.	3,275,000
50,000	Engelhard Minerals & Chemicals Corp.	3,256,250
60,000	Moore McCormack Resources, Inc.	2,565,000
70,000	Reynolds Metals Co.	2,275,000
		19,546,250
	ENERGY—INDIRECT BENEFICIARIES OF TECHNOLOGICAL ADVANCES	
	Airlines and Transportation (1.5%)	
75,000	Overseas Shipholding Group, Inc.	$ 2,925,000
43,300	Chessie System, Inc.	1,320,650
		4,245,650
	Manufacturing (2.0%)	
50,000	American Standard, Inc.	2,737,500
50,000	Jim Walter Corp.	1,537,500
50,000	Peabody International Corp.	1,137,500
		5,412,500
	GENERAL GROWTH (1.3%)	
40,000	Morgan (J.P.) & Co., Inc.	1,850,000
70,000	USLIFE Corp.	1,627,500
		3,477,500
	OTHER (0.8%)	2,343,451
	TOTAL COMMON STOCKS	**$215,623,875**
Principal Amount		
	CONVERTIBLE DEBENTURES (0.2%)	
$1,000,000	Western Union Co., 5¼% Cv. Sub. Debs., due 8/1/97	$ 510,000
	U.S. GOVERNMENT OBLIGATIONS (2.8%)	
$2,000,000	U.S. Treasury Notes, 8% due 5/31/80	$ 1,983,760
1,000,000	U.S. Treasury Notes, 9¼% due 11/30/80	977,810
2,000,000	U.S. Treasury Notes, 12¾% due 10/31/81	2,041,880
1,000,000	U.S. Treasury Notes, 11¾% due 5/15/83	1,032,190
2,000,000	U.S. Treasury Notes, 8% due 8/15/86	1,775,000
	TOTAL U.S. GOVERNMENT OBLIGATIONS	**$ 7,790,640**
	CORPORATE SHORT-TERM NOTES (16.3%)	
$15,000,000	General Electric Credit Corp. 13¾%, due 1/16/80	$ 15,000,000
10,000,000	General Electric Credit Corp. 13½%, due 1/21/80	10,000,000
20,000,000	General Motors Acceptance Corporation 13¼%, due 1/25/80	20,000,000
	TOTAL CORPORATE SHORT-TERM NOTES	**$ 45,000,000**
	REPURCHASE AGREEMENT COLLATTRALIZED BY U.S. GOVERNMENT OBLIGATIONS (2.6%)	
$7,100,000	Shawmut Bank of Boston, N.A., 11¾%, for delivery at cost on 1/2/80	$ 7,100,000
	TOTAL INVESTMENTS (100.0%)	**$276,024,515**

Multifunds

Multifunds own portfolios composed of other mutual funds. A relatively recent development, they offer a diverse selection of both load and no-load funds chosen by professionals trained to evaluate mutual funds. When multifunds buy load funds, their shareowners benefit because multifunds usually pay lower commission rates than individual investors pay. On the other hand, management fees will run higher; the investor pays twice, once to the management of the portfolio funds and again to the management of the multifund.

Still, multifunds offer a desirable service for investors who don't want to spend a lot of time evaluating funds or who are unsure of their timing in buying and selling volatile performance funds. The Lowry Fund is the only multifund in the 1980 *Almanac*. It specializes in market timing.

Social Conscience Funds

A few years ago a half-dozen new funds emerged to seek investments that furthered specific social programs. Their goal was to provide sound investments for churches, universities and individuals wishing to combine their ideals with their financial programs.

For example, The Dreyfus Third Century Fund seeks growth and income by investing in companies which, in the opinion of management, not only meet traditional investment standards, but also contribute to the enhancement of the quality of life in America as the nation enters the third century of its existence. Another social responsibility fund, Pax World, has much the same criteria and in addition does not invest in companies engaged in military activities. Foursquare Fund, managed by the Eaton & Howard group, does

not invest in those companies which derive substantial portions of their earnings from the manufacturer, distribution or sale of alcoholic beverages, tobacco or drugs.

The social fund investment policies are not necessarily a bar to good performance. Dreyfus Third Century is in the upper 10% of all funds this past five years.

Option Funds

In 1977, mutual funds, aided by a new provision in the Tax Reform Act of 1976, moved to take advantage of the burgeoning options market. By year end, at least ten funds utilizing options were in existence. They now control total assets of more than $400 million.

In 1963, the IRS had ruled that profits derived from writing put and call options which subsequently expire were not gains from the sale of securities. This meant that if a mutual fund derived more than ten percent of its gross income from expired option premiums, such fund would not qualify for pass through treatment as a regulated investment company. Under the Code, a mutual fund must receive at least 90% of its gross income from dividends, interest and capital gains. The 1976 Act eliminated the restriction by specifying that gains or losses on the lapse of an option will be treated as a gain or loss from the sale or exchange of a capital asset held not more than six months.

Most option funds employ the conservative investment strategy of writing covered options; that is they sell call options on stocks they already own. These funds are designed to increase current income without exposing principal to excessive risk. The premiums received from a continuous option-writing program are expected to constitute a major portion of the return earned by these funds. However, income can be obtained from many sources:

—Dividends paid on portfolio securities;

—Premiums from expired call options;

—New gains from closing purchase transactions (when an option seller terminates his obligation by purchasing another option of the same series as the option previously written);

—Short-term gains from sales of portfolio securities on the exercise of options or otherwise;

—Interest income from fixed-income securities.

Conservative option funds include the Colonial, Federated, Kemper and Putnam Option Income funds. Long-term income-oriented investors might find them profitable. Needless to say, even the conservative use of options is not without its risks. During periods of falling stock prices, premiums not only tend to shrink, but pursuing this strategy can also mean locked-in portfolio losses. The option-writing income will, of course, help offset any price declines. On the other hand, in rising markets, the option writer may forfeit some potential capital growth if the price of the stock increases beyond the call price and the buyer exercises the option.

Investors should examine total return—the performance figures shown in the *Almanac*—in evaluating these funds.

One fund, Directors Capital, is aggressively using options to achieve capital appreciation. The fund buys and sells puts, calls and straddles as well as holds stocks long or short.

Another fund, Money Market/ Options Investments puts 90% of its assets into money market instruments to limit volatility. The other 10% of assets goes to buy calls.

Exchange Funds

These are funds designed for persons having substantial holdings of stocks selling at appreciated prices. Exchange funds accept what they consider good quality securities offering the holders the opportunity to pool these assets with others in the same situation. In return, investors receive shares in the exchange fund without incurring any capital gains tax on the exchange and they obtain diversification and professional investment management. The minimum that can be exchanged is often $25,000.

Between 1960 and 1967 thirty-three exchange funds were created with investors exchanging more than $1 billion of individual stocks for their shares. Then in 1967 it became illegal to organize new exchange funds because Congress judged them tax loopholes and forbade the transfer of appreciated assets, on a tax-free basis, to investment companies organized as corporations—the basic legal form of the open- and closed-end funds.

Exchange funds were available again in 1976 because some heads-up fund organizations found a way around the legal objection. Six new funds were set up as limited partnerships, OK'ed by the IRS in 1975. The Tax Reform Act of 1976 closed the new loop-hole as of December 6, 1976. But while the Act specifically bans any more tax exchange funds, the six loophole finders were allowed to operate under a grandfather clause since they were set up before the passage of the law.

The Magnetic Money Market Funds

Money market funds are similar to mutual funds that invest in stocks or bonds. The investor's money is pooled with that of other investors, but instead of buying stocks or bonds, money market funds buy short-term money market instruments. These include bank certificates of deposit, bankers acceptances, commercial paper, U.S. Treasury bills and notes and U.S. government agency securities.

The concept of the money market fund was originated in November 1972 by the Reserve Fund which began with total assets of $100,000. The money market funds boomed when interest rates went sky high during the 1974-75 hyper-inflationary period. At that time thousands of investors took advantage of 10% or better yields then available.

The money market funds prospered in 1976 and early 1977 even though rates during this period were no higher than insured bank accounts because large investors, often institutions or businesses, found money market funds ideal cash management vehicles. The funds offer services of great value. For many the alternative for excess cash would be a non-interest bearing checking account. Most funds nowadays provide check writing privileges which are in effect an interest-paying checking account.

Short term rates pushed higher in the latter part of 1977 and have stayed at high levels since. In this investment climate, money market fund assets zoomed. By year end 1979, they reached $45.4 billion. There are three main classes of money market funds. General purpose, stockbroker affiliated general purpose and institution only. At year end 1979, the general purpose funds had $12.3 billion in assets, the stockbroker affiliated funds had $22.4 billion and the institutions only had $9.7 billion.

The general purpose money funds are usually sponsored by mutual fund organizations or in a few cases by independent organizations like the Reserve Fund. The stockbroker affiliated funds have grown faster than the general purpose funds because they have become the substitute for free credit balances in the brokerage firms. Nowadays if an investor sells a stock, his broker will recommend the money be transferred to the firm's money market fund until such time as a new equity purchase is made. The brokerage firm handles the paper work and in many cases money fund balances and transactions appear on the firm's monthly statement. With thousands of brokers to recommend the Merrill Lynch Ready Asset Fund, it is now over $10 billion! In a short five years it has become the largest fund in the history of the industry.

The *Almanac* provides data for virtually all the general purpose money market funds and the important broker affiliated funds. This year the *Almanac* has expanded its coverage to include 56 money market funds.

Tax Exempt Money Market Funds

Municipal bond funds and money market funds have both been so successful that sooner or later someone had to decide to combine the two. Several someones have. The result is the short-term tax exempt mutual fund. There are now four available to the public. The Chancellor Tax-Exempt Daily Income Fund, Fidelity Tax-Exempt Money Market Trust, Scudder Tax-Free Money Fund and Warwick Short-term Municipal Bond Fund.

Somewhat arbitrarily, the *Almanac* has decided to list the Fidelity Tax-Exempt Money Market Trust in the money market fund listings and the other three funds in the regular listings with other longer term municipal bond funds. Our reason is that Fidelity Fund is the only one with a constant net asset value ($1 per share). The other three funds have a variable net asset value. While the other three funds feature relative stability

of capital, there can be losses or gains. For example, the net asset value of the Chancellor Fund declined eight-tenths of one percent in October, 1979 when interest rates soared.

Money Market Fund Advantages. There are many advantages to selecting money market funds over other short term investments.

Professional management. CD's and other money market instruments are selected by managers skilled in this type of investment.

Easy redemption. Most redemptions now take place via the simple act of writing a check. Funds can also be redeemed by mail or wire, to you or direct to your bank.

Liquidity. There are no minimum periods for investment and no penalties for withdrawal.

Conservation of principal. Because maturities are short, money market instruments generally have little fluctuation in value. The money market funds generally hold them to maturity (although if there were heavy liquidation by shareholders this wouldn't be the case).

Potentially higher yields. Unlike bank savings accounts, the yields are not fixed. When yields on bank CD's, commercial paper and short-term government obligations rise, the money market funds are quick to benefit.

Most money market funds are *no-load*; there is no charge to buy or sell shares. There are management and expense fees which generally are one percent or less of total assets per year.

How To Select A Money Market Fund

The investor should concentrate on several factors in selecting a money market fund—ease of deposit and withdrawal, maximization of return, crediting of dividends, make-up and length of portfolio. It is all important to find money market funds that put your money to work quickly and have he lowest expense ratio.

1. How easy is it to withdraw your money?Various funds will send your redemptions by wire or mail, direct to you or to your bank account, in response to mailed, wired or telephoned instructions. Buy a money market fund that offers check redemption privileges. This is one of the best features that these funds can offer, since your money will work for you until the check is presented to the fund for payment. This way, **you** get the float instead of the bank.

If you don't avail yourself of check writing privileges, look for a money market fund that will redeem direct to your bank account upon telephoned instructions. In this way the cumbersome letter with a signature guarantee is avoided with no loss of safety. Second best is redemption following wired instructions, particularly if a TWX is accessible.

If you generally redeem by phone, ask the fund whether it makes a difference if you call in the morning or the afternoon. In some cases, redemptions received in the morning go out the same day, others the next day.

Check to see if a fund debits your account on the day of your request but does not send the redemption till the following day. This is a loss to you of one day's interest and on an active account this can cost you money and time.

Although most funds currently redeem the same or the next day, many note in their prospectuses that the investor's funds can be held up as long as seven days. This is in the unlikely event that a massive wave of redemptions will deplete cash on hand and exceed maturing paper.

2. How soon does your money go to work for you? It varies from fund to fund and depends on the kind of check submitted. A federal fund's wire from your bank or a federal reserve draft available from a federal reserve bank and cash generally start earning interest the same day they are received. Checks drawn on major banks that are members of the federal reserve system typically start earning interest in two or three days. Checks from non-federal reserve member banks usually don't earn interest until the funds are collected. If you're dealing with large sums of money, being aware of the various procedures can earn additional dollars for you.

3. These funds receive **management fees and operating expenses** for their services. The management fee is generally set at one-half of one percent annually (.5%) and expenses at a maximum of another .5%. However, as the funds have grown, expenses as a percentage of total assets managed have dropped. The economies of scale are passed on to shareholders.

4. How are dividends credited?Most funds declare dividends daily. However, be careful to note when they are paid to an account. Dividends paid daily are compounded daily, dividends paid monthly or quarterly are only compounded monthly or quarterly. This effec-

tively lowers the yield to the investor.

5. What do these funds invest in? The investments allowed by the prospectus of each fund include U.S. government securities; U.S. bank obligations—CDs, bankers acceptances, etc.; foreign bank obligations; corporate obligations—commercial paper; and stocks.

The types of investments are only one aspect of the portfolio. Equally important is average portfolio life of these funds. This can vary from as low as 20 days to even one year. Funds with the shortest portfolio life believe that safety and liquidity is paramount, since the longer the portfolio life the less liquid the fund and the greater the exposure to market fluctuations. Other funds place greater emphasis on maximizing yield by shortening or lengthening the maturity dates of their investments to take advantage of changing money market conditions. If they feel interest rates are coming down they lengthen their maturities to lock in higher rates. If they believe interest rates will rise, maturities are shortened. Varying practices will result in differing interest rates and rates that are seemingly at variance with the yields on newly offered CDs and commercial paper.

6. How are prices computed? There are now four different ways that money market funds price their portfolios. (1) Constant net asset value, mark-to-market. The price of these funds never varies. Mark-to-market means that they value their portfolio every day and factor realized and unrealized appreciation and depreciation into their daily yields. (2) Variable net asset value, mark-to-market. These funds vary their price each day to reflect the portfolios appreciation and depreciation. Their yields represent return on investment only. (3) Constant net asset value, 120 day maximum average maturity. These funds are also called penny rounders. They mark-to-market, but their price doesn't change unless appreciation or depreciation is greater than one-half percent. I.e., a fund priced at $1.00 would have to appreciate to more than $1.005 or depreciate to less than $ .995 before the price changes. This method has some similarity to the next category and for this reason, the SEC requires their portfolios to have average maturities of less than 120 days plus there are some quality restrictions. (4) Amortized cost method, straight line accrual. These funds do not mark-to-market, but instead price their shares on the basis of historical cost. In effect they assume all securities will be held to maturity. At the present time most funds using this method of pricing sell only to institutions. The securities in their portfolios must have a remaining maturity of less than 60 days.

With amortized cost pricing, maturities are limited since market fluctuations are being ignored. This is not a problem for short-term debt but can be for long-term debt. In that case a fund may become overvalued— such as in a period of rising rates—which could cause massive redemptions forcing the sale of the fund's securities.

In a business where it is hard to lose money, First Multifund For Income managed to do so. It stayed on the amortized cost method and had extended its average portfolio life to about 650 days when rising rates in 1978 made the fund's return uncompetitive. This caused massive redemptions. At first the fund borrowed to meet these redemptions, but the borrowed money cost more than the return on the portfolio. Finally on December 22, 1978, the fund bit the bullet; sold its portfolio of basically medium term investments at a 6% loss in order to reinvest in higher yielding short term money market instruments. Without notice, the fund's net asset value declined from $1.00 to $.94. The length of the average maturity of the debt was a major reason for the loss. The fund is no longer in existence.

Two advisory services that report average maturity are The No-Load Fund Investor, Box 283, Hastings-on-Hudson, N.Y. 10706 ($20) and Donoghue's Money Fund Report, Box 540, Holliston, MA 01746 ($125).

These concepts are esoteric and in many cases the yield differences as computed by varied methods can be small. Two principles should be borne in mind: 1) When comparing funds, check which method the fund is using. Make sure yield differences are real, not the result of different methods of calculation. 2) **None** of these yield calculations can be considered representative of **future** performance. Future yields depend wholly on money market conditions which are constantly changing.

In summary, there are money market funds for all investors. These funds are chiefly differentiated by: yield, average portfolio life, and types of investments. The *Almanac*'s complete Directory of Money Market Funds is on page 149.

Closed-End Funds

Mutual funds that are constantly selling or redeeming shares are called open-end. They do not maintain a fixed number of shares—they issue more when individuals want them and buy them back from shareholders who wish to redeem them.

This open-end mechanism contrasts sharply with the practice of the far less popular, but nonetheless important, closed-end fund, which issues a fixed number of shares at the time of the initial offering and rarely changes the number outstanding.

If you choose to buy shares in an existing closed-end fund, you have to buy them on the open market from someone who presently owns them and wishes to sell. Most of the closed-end funds—which are also known as investment companies—are traded on the New York Stock Exchange. Instead of the sales charge common to most of the mutual funds, you will pay a commission figured on the same basis as the commission payable on any other shares traded on the Exchange. If you buy a new issue from an underwriter, you will pay a sales commission—about 8 percent.

You will find that there are many kinds of closed-end funds. One major classification is diversified common stock funds. Their portfolios are similar to the bulk of mutual funds. Here too the objectives can vary. Some closed-end funds are more speculative, others more conservative. The Lehman Fund, the Madison Fund, and Tri-Continental Corp. are closed-end diversified common stock funds.

Another broad classification is "specialized equity and convertible funds." ASA, Ltd., is a closed-end fund specializing in gold stocks. The Japan Fund specializes in the stocks of Japanese companies. The RET Income Fund buys the stocks of real estate investment trusts. The Bancroft Convertible Fund holds convertible securities, bonds or preferred stock that carry the right to be exchanged for given amounts of common stock.

The last major classification is the bond fund holding straight debt.

The major similarity between mutual funds and closed-end funds is that each seeks to limit the risk of their shareholders by diversifying holdings in a number of different securities.

A major advantage closed-end funds enjoy is that with a fixed number of shares, they do not have to worry about redemptions. But this feature can also work against them. By the same token, they do not enjoy the advantages of new money inflow which many fund experts maintain enables the open-end funds to achieve better performance.

While the closed-end fund will work out the net asset value of its shares—that is, the market value of all holdings less the liabilities, divided by the number of shares outstanding—only the open-ended fund's shares can be purchased for that price-per-share. The price for the closed-end fund's shares is dictated by the market place. On a particular date, their shares are likely to sell at a discount from the net asset value. (Less often, their shares sell at a small premium.) Investors buying new closed-end funds should be aware that the market price of their shares may fall below net asset value. If you buy shares on the market at a discount you are, in effect, paying a "negative" load. That can be a bargain, but only if you sell when the discount is less. Before you buy check to see if the current discount, if any, is high or low by the fund's historical standards.

One way to eliminate the discount is for the fund to accept redemptions at net asset value. This strategem can perk up the shareholder's equity, and can be accomplished by the fund becoming an open-end. The Surveyor Fund, a closed-end, merged with the open-end Eberstadt Fund in 1973 and began operating as an open-end fund. Before the merger, the Surveyor Fund was selling at approximately a 25 percent discount from net asset value. Upon merging, the discount vanished and Surveyor shareholders had the opportunity to redeem at net asset value. Surveyor's action was watched closely by other managements. The closed-end Dominick Fund merged with Putnam Investors in 1974. International Holdings merged with Cheapside Dollar in 1975.

Advance Investors was a closed-end common stock fund which began operations in 1973. On May 12, 1976 Edwin Thorne, the fund's chairman wrote shareholders:

> "When the shares of Advance Investors Corporation were initially offered to the public, there was a conviction that little or no discount would develop between net asset value and market price. As you know, common stocks performed rather poorly since the inception of Advance,

particularly the stocks of our companies which are generally categorized as "growth companies." With the poor market, a discount between net asset value and market price emerged and gradually increased during the last three years. This discount has been of great concern to your Directors. Many alternatives were evaluated, but thorough analysis revealed significant disadvantages with respect to most of them. After considering the best interests of all shareholders, the Directors concluded that Advance should be converted into a no-load, open-end mutual fund."

Advance Investors anticipated extensive redemptions when the discount was eliminated, particularly from speculators who bought the fund after the plan to go open-end was announced. They were right. Advance suffered $13 million in redemptions within a few months after the fund open-ended in August 1976. And with small investors still far from plentiful, there was only $600,000 in new sales. However, the shareholder base declined by only a thousand. The fund did the right thing for its shareholders and 11,000 responded by staying in Advance.

National Aviation & Technology Corporation is the latest closed-end fund to make the switch. In 1979 it became a no-load.

If you're deeply involved in closed-end funds you should read a new book, "The Investor's Guide to Closed-End Funds," by Thomas J. Herzfeld (McGraw-Hill, $19.50). It is the first comprehensive book ever written on the subject.

Herzfeld espouses methods of charting and conservative trading techniques that he believes can net investors 20-30% per year. In addition, at a time when most closed-end funds are selling at discounts, the book discusses the profit potentials that result from open-ending—when a fund is reorganized to permit redemptions from the fund at NAV, thus eliminating the discount.

Performance statistics, addresses and other pertinent data are included in the closed-end funds statistical tables of the *Almanac*.

Dual-Purpose Funds

Dual-purpose funds are a special and relatively recent variety of closed-end fund. These funds operate from the principle that many investors seek the security of steady income, while others seek out the riskier but potentially more rewarding avenue of capital gains. The dual-purpose funds bring these two investor types together, pooling their money in such a way that the income-seeking investors receive all the income from the entire pool, and the capital-gains investors get all the capital gains.

Both the income and capital shares may sell at a substantial discount from their net asset value. In effect, this means the purchaser gets a free asset bonus—though the discount may persist, or even have widened, when he goes to sell his shares. While the income shares sell on the basis of their yield, the value of the capital shares fluctuates considerably, because of their two-for-one nature. Capital shareholders are credited with whatever capital gains the entire fund-pool makes, but they also have to withstand all its capital losses.

The income shares can be considered as preferred stocks. They have a stated minimum dividend which is cumulative. They are callable after a stated number of years. The *Almanac's* statistical section lists these redemption dates for seven funds.

The American DualVest Fund had the earliest redemption date—June 29, 1979. Although a number of choices were open to the American DualVest shareholders, the advisor recommended the fund become a no-load open end fund. It is now called the ADV Fund and is listed in the mutual fund section of the *Almanac*. Because it no longer has the leverage that two classes of stock provide, its performance record as a dual fund is not carried over.

Redemption provisions can vary from fund to fund. Since all funds have redemption dates between now and 1985, it would be wise to contact the fund for their prospectus before buying.

YARDSTICKS FOR SELECTING MUTUAL FUNDS

Forbes magazine has commented that "not more than half a dozen really good books about investing have been written in the past 50 years." The list included the late Gerald M. Loeb's book, *The Battle for Investment Survival.* In a 1971 sequel, *The Battle for Stock Market Profits* (Simon & Schuster), the author devotes one chapter to the art of selecting mutual funds. Portions of this chapter are reproduced here:

The original appeal of mutual funds and other investment companies for the investor was that after he bought the shares of the fund he could leave the investing to them. This concept has been changing. Now you have to exercise as much care in the selection and timing of the purchase of an investment company or fund as you would in buying any individual stock.

The novice investor uses "performance" as his principal yardstick in making selections. Necessarily this is based on past performance. The popular tendency to buy last year's big gainers is a very poor approach to the problem. Being last year's hero generates built-in handicaps against leading the league the following year.

How should you go about it? You will have to begin by doing a little research on your own. None of us really can be sure about the trend of the market. There are times, however, when prices and risks seem high, and other times when they seem low. There are times when the trend appears clearly down. You should make as much effort to buy funds favorably as you do individual stocks.

The first thing for you to do is to examine the literature on investment companies. [Editor's Note: At this point, Mr. Loeb describes several mutual fund reference books including the **Mutual Funds Almanac**.]

As you delve into the subject you will find a wide variety of funds. After you have settled on a few candidates, send for their latest annual and quarterly reports and their offering circulars. These cost you nothing and will be of great help in making a decision. Study the lists of stocks they hold and decide whether they are the kind you would be happy to own. Here are some pointers:

Management: This is the most important consideration. It is also the most difficult to measure. With a few publicized exceptions, you are not likely to know the name of the manager, his tenure or his predecessors. You have to depend on the long-time record and reputation of the management company.

Determining the kind of management you desire is not easy. It cannot be done just by buying the fund with the best recent performance record. I cannot recall any fund which has been number 1 for two calendar years in succession. I can recall funds which were number 1 in a past year that in a later year dropped very far down the list, and others that improved their position. This can occur for several reasons. Few of us who manage investments possess sufficient flexibility. We do well when the market matches our philosophy. We fail to change and we do poorly when the market changes. There are some small funds that do very well at first and grow fast. A point is reached where the ability to acquire desirable blocks or to move in and out quickly is reduced. Management changes. Investors rarely know the individual responsible for the investment decisions in a fund. They rarely know when management changes hands. They can really never know the effect of the passing years on a man's investment viewpoint.

You can diversify funds just as you would individual stocks. You might want 50 percent of your equity money in a fairly standard fund, 25 percent in a growth fund, and 25 percent in some type of even more speculative special fund. Diversification costs a little more, but gives you more.

You can switch funds, just as you switch individual stocks. This also costs more, but the emphasis should always be on net investment results after expense and tax, balanced against risks assumed. There are many reasons that might make switching advisable. You might wish to buy small new young funds and switch back, when they seem to have reached less flexible proportions, into newer and still small issues. Emphasis must be placed on the investment expertise of the management over the size of the fund. Mistakes in small funds are much more damaging than in large.

Investors who manage their own portfolios often include special types of funds. Getting the best result from a 100 percent fund portfolio requires you to investigate and supervise your fund portfolio as closely as your individual stock list. You don't buy a fund and forget it if you want maximum results.

A security-analyst friend of mine once told me, "I only need $50,000 more and I will have enough to retire. I will buy a mutual fund, get a check a month, and never look at the financial pages again." This is not an impossible dream. It can be part of a retirement program that includes other assets and resources. You end your capital-accumulation years. You start your capital-consumption years. For this purpose, you select one of the largest, most conservative, old-line mutual fund companies.

There is a place for mutual funds for almost everyone—if he can find the right ones.

EXPLORING YOUR OPTIONS WITH MUTUAL FUNDS

Nowhere else in the world of investments is the individual offered so many options as with mutual funds.

Want to buy so many dollars worth of a particular fund each month? You can.

Want to couple it with low-cost, term life insurance? You can.

Want your fund shares insured against loss of value? This too is available.

Do you wish to vary the amount from month to month depending on the state of your finances? You can do that, too.

Its ability to serve individual investment needs at different stages of life has contributed to the industry's success immeasurably. Let's look at some of the specific mutual fund investment plans now being used by several million people to achieve their financial goals.

Load Funds

Since a major way of differentiating the various investment plans is by sales charges, the distinction between load funds and no-load funds has to be understood. Those funds which levy a sales charge are called load funds; those with no sales charge are no-loads. However, both loads and no-loads have a management fee, which is a separate, annual fee, completely different from the commissions paid the salesman who places the fund with the investor.

The principal advantage of buying a load fund is the assistance provided by the mutual fund salesman or stockbroker. In many cases salesmen will call at your home, or you can simply phone in an order. Salesmen can make it easy for you to buy mutual funds.

Sales Charges On Fund Shares

In order to purchase shares of the majority of mutual funds, you must pay a sales charge or "load." This sales charge, typically 8½%, covers the cost of distributing the fund's shares and includes commissions paid to the stock broker or mutual fund salesman who sold you the shares. On a $1,000 purchase, $85 would be typically deducted, leaving $915 as the actual investment. Calculated as a percent of the money actually invested, the way stock commissions are, the load is actually 9.3%

See the prices for each load in the partial table below as it appeared in the *Wall Street Journal*. Note the spread between the NAV (net asset value) and the Offer Price. In the case of the American Funds Group, the NAV is 8½% lower than the offer price. (For other funds it can vary: 8%, 7½%, etc.) When you buy an American Funds Group you pay the offer price which includes an 8½% sales charge. When you redeem, you receive the NAV. The initials N.L. under the Offer Price column signify a no-load. These funds have no sales charge.

Table 11

Mutual Funds

Tuesday, April 1, 1980

Price ranges for investment companies, as quoted by the National Association of Securities Dealers. NAV stands for net asset value per share; the offering includes net asset value plus maximum sales charge, if any.

	Offer NAV	NAV	Price Chg.
Acorn Fnd	20.60	N.L.	+ .19
ADV Fund	11.48	N.L.	
Afuture Fd	12.14	N.L.	+ .01
AGE Fund	3.34	3.60	- .00
AIM Funds:			
Conv Yld	10.77	11.50	+ .11
Edsn Gld	10.06	N.L.	+ .18
HiYld Sc	8.70	9.30	+ .01
Alpha Fnd	12.76	N.L.	+ .03
Am Birthrt	11.04	12.07	+ .04
American Funds Group:			
Am Bal	7.56	8.26	- .01
Amcap F	9.85	10.77	+ .09
Am Mutl	x10.08	11.02	- .14
An Gwth	7.32	8.00	+ .02
Bnd FdA	11.64	12.72	+ .01
Cash Mt	1.00	N.L.	
Fund Inv	6.88	7.52	+ .01
Gth FdA	9.24	10.10	+ .17
Inc FdA	x6.85	7.49	- .12
I C A	7.69	8.40	
Nw Prsp	x6.82	7.45	- .06
Wash Mt	6.40	6.99	
American General Group:			
A GnCBd	6.39	6.98	+ .01
AG Emfp	7.98	8.72	+ .12
High Yld	9.24	9.91	+ .01
A G Mun	16.62	17.66	- .08
A G Res	1.00	N.L.	
A GnVen	15.94	17.42	+ .24
Comstk	9.96	10.89	+ .10
Fd Amer	7.96	8.70	+ .05
Harbor	9.20	10.05	+ .06
Pace Fd	18.43	20.05	+ .30
Delaware Group:			
Cash Res	10.00	N.L.	
Decatr	12.60	13.77	+ .06
Delchs F	7.30	7.98	- .01
TxFr Pa	6.75	7.07	- .03
Delw Fd	11.43	12.49	+ .09
Delta Td	6.27	6.79	+ .06
Direct Cap	2.31	N.L.	- .05
DodgC Bal	20.54	N.L.	+ .02
DodgC Stk	16.61	N.L.	+ .04
Drx Burnh	11.48	N.L.	+ .07
Dreyfus Group:			
Dreyf Fd	12.27	13.41	+ .25
Dreyf Lv	18.31	20.01	+ .23
Dryf LAs	1.00	N.L.	
Mny M S	1.00	N.L.	
Numbr 9	8.81	N.L.	+ .18
Spl Incm	x6.64	N.L.	+ .01
Tax ExB	10.98	N.L.	- .07
Third Cn	20.24	N.L.	+ .51
Eagle Gth	8.66	9.46	+ .12
Eaton & Howard:			
Balncd F	x7.11	7.67	- .12
Cash Mg	1.00	N.L.	
Foursq	x8.02	N.L.	- .15
Growth	13.10	14.12	+ .17
Income	x4.34	4.68	- .11
Spec Fnd	9.03	9.74	+ .13
Stock Fd	9.41	10.15	- .08
Elfun TIF	7.81	(z)	- .03
Elfun Trst	15.88	(z)	+ .02
Evrgrn Fd	24.59	N.L.	+ .31
Fairfld Fd	11.19	12.23	+ .16
Farm B Gr	11.56	12.63	+ .17

The SEC Reduces Load Fund Sales Charges

In 1976, after more than two years of study, the Securities and Exchange Commission approved a new rule of the National Association of Securities Dealers (NASD) limiting mutual fund sales charges. The rule change prohibits "excessive" sales charges taking into consideration all relevant circumstances. For funds and single-payment contractual plans the rule provides a ceiling of 8½% on sales charges.

The ceiling is reduced where sales plans fail to offer investors three rights. (1) If dividend reinvestment is not provided free of sales charge, the maximum load will be reduced 1.25%. (2) A .50% reduction is mandated if rights of accumulation (cumulative quantity discounts for a period of not less than ten years) are not provided, and (3) A .75% discount reduction is mandated if quantity discounts on single purchases are not provided. An acceptable quantity discount plan, according to the NASD is, at least, either (a) a 7.75% maximum for purchases of $10,000 or more and a 6.25% maximum for $25,000 plus or (b) a 7.50% maximum on purchases of $15,000 plus and 6.25% maximum for $25,000 plus. Table 15 summarizes the maximum sales loads.

There is an exception to these maximum rates for contractual plans. In the statistical tables of the *Almanac* there are two funds that sell only contractuals—Fidelity Destiny and IDS Growth. Their sales charges, as shown in the tables, exceed 8½%.

Prior to the change, about 80 funds had maximum sales charges in excess of 8.5% and about 60 funds had reinvested dividends at the offering price rather than at net asset value. Thus, these new rules provide tangible savings for investors.

In order to accomodate all investors, load funds are sold in many ways. Here are the major options:

Table 12

Maximum Sales Loads

Rights Provided			
Dividend Reinvestment (1.25%)	Quantity Discounts (.75%)	Accumulation Rights (.5%)	Maximum Sales Charge % of Offering Price
yes	yes	yes	8.50%
yes	yes	no	8.00
yes	no	yes	7.75
no	yes	yes	7.25
yes	no	no	7.25
no	yes	no	6.75
no	no	yes	6.50
no	no	no	6.25

Investing A Lump Sum

Are you an investor who has "had it" with stocks? Are you tired of trying to analyze companies, worried about the volatility of today's market, or are you inclined to agree that the professionals can do a better job investing your money than you can? If so, you might sell your stocks, realize a sizable sum and reinvest it in mutual funds. In the industry jargon you will be buying lump sum—or opening a "regular" account.

The procedures are simple. Select a fund, and give the broker or mutual fund salesman a check. The load will be deducted and the balance of your money forwarded to the fund for investment. Within a short time you will receive share certificates (or the shares will be held on deposit for you).

With mutual funds there aren't round lot savings for buying 100 shares at a time. Instead, there are breakpoints. If your purchase is over a certain level—$10,000 with some funds, as much as $25,000 with others, the commission will be reduced. For example, if you buy the Chemical Fund you will pay an 8½ percent sales commission up to $10,000. Then for purchases between $10,000 and $24,999 the commission declines to 7.5 percent; from $25)00 to $49,999 it goes down to 6 percent. The commission continues to decline as the size of the investment increases. Watch these breakpoints closely because the commission rate applies to your total purchase.

A special Report published by the SEC in 1972 on load charges noted that some salesmen are tempted to advise customers to divide their money between two or more funds so that no breakpoint applies to any of the purch es. In the example given, if you were

to invest $25,000 in one fund, paying a 6 percent commission, the salesman would receive $1,500 and you would have $23,500 invested. If the same sum were split equally between three separately owned funds with the same commission schedule, the commission would be 8.5 percent. The salesman would receive $2,125 and only $22,875 would actually be put to work for you.

Maintaining An Open Account

Since so many mutual fund investors want to be able to add new money whenever it is convenient—or defer payments when it is inconvenient—funds provide "open accounts," also called voluntary accumulation accounts or plans.

Many mutual funds are willing to go a long way to get this kind of plan started because they have found that thousands of people begin long and worthwhile investment programs this way. But the funds ordinarily ask that the investor buy several hundred dollars' worth of the mutual fund's shares to start. Thereafter, the mutual fund will expect $25 to $50 per purchase, depending on the policy of the particular mutual fund. (One reason for the minimum payment is the cost of bookkeeping on small sums.) Some mutual funds go further, requiring that the investor buy so many dollars' worth a year if the plan is to be continued, with automatic reinvestment of capital gains and dividends.

The voluntary accumulation plan is similar to the lump sum payment in that the sales charge is deducted each time a payment is made. In addition, it offers many advantages the investor should utilize. They are: automatic dividend reinvestment, the ability to purchase fractional shares, and free safekeeping of your shares by a custodial bank.

The privilege of dividend reinvestment is a valuable one, enabling you to compound money as in a savings bank. Compounding gives you geometric growth instead of simple growth. With a few exceptions, it's not possible to have dividends reinvested when you buy stocks. Ordinarily, with stocks you receive small sums every quarter. These sums are difficult to put to productive use. Not so with funds. They instantly reinvest your dividends, keeping all your money working.

On the next page is a chart graphically illustrating the power of compound growth. It shows how increases in the growth rate translate into thousands of dollars more in the investors' lifetime.

$10,000 invested at 5% compounded annually increased by more than four times in just thirty years. That's sufficiently powerful for most of us. But just consider what money would compound to if we had started saving a long time ago, say when Jesus Christ was born. If at that time we had invested a single penny at 5% simple (uncompounded) interest, after 1,979 years it would be worth all of 99 cents. However, if we had compounded this same return annually, the penny would have grown to a 40 digit number—$8,583 followed by 36 zeros. (We don't know how much of this gain was lost to inflation.)

Mutual funds will sell you fractional shares, permitting you to invest any amount you wish, not just multiples of the fund's current offering price-per-share. For example, if you invest $500 and each fund share is currently $12, you will receive 41⅔ shares. This makes it easier to budget your savings. It is also easier on the fund, since a fund can't tell you the exact price of a share when you mail your check. You actually pay the per-share offering price at the market close the day your order is received. With fractional shares the fund doesn't incur the needless expense of reimbursing you for small amounts.

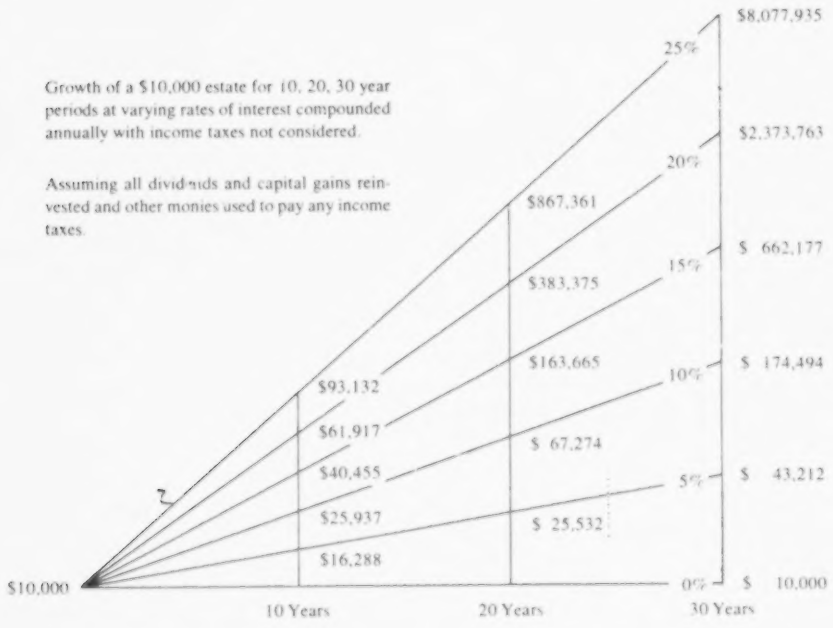
When you maintain an open account, you don't have to safeguard the share certificates. Mutual funds have custodial banks which hold your share certificates for you. This is a most convenient service you should use. It is safer, solves the problem of holding fractional shares, and makes redemptions vastly simpler.

Contractual Plans

Nothing has been so controversial in mutual fund life as the contractual plans with their heavy charges for salesmen's commissions in the first year of a normal ten-year plan of investment. This so-called "front-end-load" usually took 50 percent of ten years' commissions out of the first year's payments into the mutual fund. In a very real sense this feature mirrored a decades-old and long

Table 13

The power of compounded growth



criticized policy used by the insurance companies to inspire their salesmen to sell life insurance.

Here is an example of the commission schedule for a typical systematic accumulation plan. The contractual plan calls for an initial payment of $50 and further payments of $25 per month for ten years thereafter.

At the end of the first year, 54 percent of the total payments have gone for sales charges, custodian and administrative fees. In the first year $325 was paid to the fund, of which $150.50 was actually invested. Of course, payments in subsequent years are substantially reduced to bring the average sales charge to 9 percent of total payments after ten years.

The biggest disadvantage of the contractuals is that very little money is invested and working in the early years of the plan. As a result, it almost always takes at least four to five years—preferably in a rising market—for the planholder just to break even. Even more important, if the plan is discontinued prematurely, there is a real chance the investor will lose—permanently—since the front loaded commissions may not be rebated.

The contactual plan, nevertheless, always had some strong supporters. They believed that setting up long-term goals encouraged investors to save systematically, avoiding the temptation of spending money frivolously. These supporters consider the major disadvantage of the plans—a possible loss if one quits prematurely—to be an advantage. They promote this feature as a "goad to goal." Ironically the "goad" is mostly a moral one, for despite the name, there was never a legally binding contract to continue to completion.

Despite their disadvantages, contractual plans always remained popular, in large part due to the enthusiasm of the salesmen, who got most of the commissions to which they were entitled in the first year.

Table 14

Cost Comparison: Contractuals vs. Open Accounts

	SYSTEMATIC ACCUMULATION PLANS $25 Monthly Payment						OPEN PURCHASE ACCOUNTS		
	Total Payments	Sales Charge	Custodian Fee	Total Charges*	% Sales Charges to Total Payments	% Net Investment to Total Payments	Total Sales Charge	% Sales Charges to Total Payments	% Net Investment to Total Payments
6 Months	$ 175.00	$ 87.50	$ 6.00	$ 93.50	50.00%	46.57%	$ 14.88	8.5%	91.5%
1 Year	325.00	162.50	12.00	174.50	50.00%	46.31%	27.63	8.5%	91.5%
2 Years	625.00	174.50	24.00	198.50	27.92%	68.24%	53.13	8.5%	91.5%
10 Years	3,000.00	269.50	119.00	388.50	8.98%	87.05%	255.00	8.5%	91.5%

*Does not include administrative service fee not to exceed $2 per year to cover certain administrative expenses actually incurred which is payable out of dividends and distributions to the extent available and then from corpus.

The leading critic of the contractual plan was the SEC which is charged with regulation of all security sales in the country. They noted that many people, discouraged by their inability to save in the past, took on commitments that left them too little to live on and wound up losing substantial sums when they were unable to keep up the payments.

The SEC arranged to have legislation introduced in Congress that would abolish this type of systematic investment plan, or at least spread out the commissions more evenly. It finally achieved a moderate victory when President Nixon signed The Investment Company Act of 1970.

The new legislation provides for a complete refund of all sales charges if the plan is terminated within 45 days. If the fund sells the standard contractual plan with a 50 percent load the first year, 70 percent of the sales charge must be refunded if the plan is terminated within 18 months. Funds can avoid the possibility of rebates by offering a spread-loan plan with a maximum 20 pecent charge in each of the first three years or a maximum 16 percent load for the first four years. Furthermore, within 45 days of purchase, the contractual plan investor must now receive a letter from the fund advising him of his new rights. Due to these restrictions, many fund sales organizations have either eliminated or de-emphasized contractuals.

Switching Load Funds

If you once purchased shares in a conservatively managed fund, but now feel you can afford to take the risks that go with being a shareholder in a more aggressive fund, you may be able to switch funds without paying an additional 8½ percent sales charge.

This is possible when your fund is sponsored by a company which manages other funds too—usually with different objectives. There are 80 such management companies. Most of them have only two, three or four funds under the same management umbrella, while the large Keystone group consists of a series of eleven separate funds.

One advantage of share ownership in these funds is the *exchange or conversion privilege.* This allows you to freely move your investment from one fund to another fund in the series at no cost whatsoever—or only a minimal $5 service fee. (The Keystone group is an exception. Switching from one of their funds to another usually requires the payment of half of their normal sales charge.) Keep in mind, however, that any exchange of shares must be treated as a sale and new purchase for income tax purposes.

Investors in growth funds may find the exchange privilege useful as they approach retirement. At this stage of life, they may be more comfortable with the stability and income of a balanced or income fund than with the volatility of a growth fund.

An Underwriting Commission Is A Load

When an investor buys a new or a secondary issue of stock he benefits because they are sold without payment of a broker's commission. Instead there is an underwriting fee paid by the issuing company. There is *no*

similar benefit when an investor buys an underwriting of shares in a new closed-end or open-end fund. In the case of funds, the underwriting fee is deducted from the amounts invested and is every bit as much a cost to the investor as the load paid to buy an existing fund. With a new issue of a closed-end fund it can be a double whammy because the fund's market price often declines below net asset value as time goes on.

In January 1977 the old Wall Street firm of Drexel Burnham & Co. announced plans to take orders for a new mutual fund, First Income Shares, which was to specialize in "junk bond" investments. Drexel Burnham offered 2½ million shares at $12 a share—a $30 million underwriting.

When the *Almanac* examined the prospectus we noticed a very strange fact. Immediately following the closing of the First Income Shares underwriting, the fund was to be dissolved with the proceeds used to buy shares of First Investors Fund for Income, a six-year old fund that had a $220 million portfolio of junk bonds. While First Investors Fund for Income is a load fund, there would not be a second sales charge resulting from the exchange.

What is going on here? Simply that some smart investment counselor found a new way to merchandise mutual funds. Stock brokers and mutual fund salesmen could call clients and tell them a new fund was being offered, one to specialize in a potentially desirable area of junk bonds—and there would be no load... only an underwriting fee of 8½%. Something for nothing? No way.

How To Utilize Salesmen More Effectively

A mutual fund salesman can be your friend or foe—depending on how effectively you use his services. Most salesmen are ethical, looking our for the best interests of their clients. But, as always, there are a few who put their own interests first. These salesmen may be influenced by differing commission rates or by the fact that in some instances they can't even sell all the funds available.

The most important step you can take to protect yourself against these few unethical salesmen is to understand your needs and to be knowledgeable about the funds you are buying. In earlier pages of the *Almanac* we discussed the objectives of various funds. It's up to you to define your investment objective. Do you want a conservative, middle-of-the-road fund, or a speculative fund? Discuss your goals thoughtfully with the salesman. Don't make him guess. Don't leave the door open for him to recommend something that isn't right for you.

Next, decide whether you want to purchase your mutual funds through a voluntary or contractual plan.

Third, learn as much as you can about mutual funds. The more you know, the easier it will be for the salesman to assist you. Ask for mutual fund prospectuses and the sales literature of any funds that might match your investment objectives. Take everything home to study at your leisure. Talk it over with other mutual fund shareholders. Analyze performance data provided by the *Almanac*. Learn as much as you can before making the crucial decision.

Insurance To Take The Risk Out Of Investing

If you buy certain funds, complete peace of mind is available—for a fee. Your mutual fund investments can now be insured against loss resulting from long term declines. Here is how it works: The Harleysville Mutual Insurance Company through its sales agent IMF Services, will insure your fund holdings against loss for a period of ten, 12½ or 15 years. If after reinvestment of dividends and capital gains, the fund's shares are lower at the end of these periods the insurance policy will reimburse the shareholder for the difference between current market value and the original cost including load and the cost of the insurance. Not only that, the shareholder will retain the fund shares, and if he later realizes gains he has no obligation to repay any part of the insurance proceeds.

While fund insurance was first sold in 1970, there is more interest in it now because of the recent bear markets and because voluntary exchanges within a family of funds are now permitted. Also, the earlier plans paid on the

basis of net asset values, excluding the cost of the load and the insurance.

The insurance is, of course, not free. The premium is 6% of the investment, payable in monthly installments out of dividends and capital gains distributions. A 0.2% annual administrative fee, up to $12 a year is also charged. Thus, the total charges for the minimum investment of $3,000 would be $240 or 8% over a ten-year period. (The annual rate would be 0.6% of insured assets plus the administrative fee.

Interestingly, the concept is finding favor with fiduciaries who under ERISA (the Employee Retirement Income Security Act) are now personally liable for any breach of fiduciary responsibility. They want greater returns from their portfolios, but these investments must be prudent. Insurance can enable them to better meet both goals. Total sales of insured plans are now approaching $10 million.

In setting up the plan, IMF examined the performance of funds that had been in existence for at least ten years and found that in 191 of 2,696 cases would there have been a loss after dividends and capital gains had been reinvested. That's a seven percent chance of loss versus a 93% chance of profit. While it appears that the cost of the insurance is roughly in line with the possibility of long-term loss, the vast majority of investors purchasing the insurance will obtain only peace of mind from it. In deciding whether fund insurance is for you compare the potential profits from insured funds to the returns available from safe, fixed income investments.

Group Life Insurance

Corporations, fraternal organizations, alumni associations, unions and trade associations are just a few of the organizations that have managed to wrangle special or group life insurance rates through volume buying.

The latest to jump on the "group" bandwagon is the mutual fund industry. Shareholders of some fund groups can now buy low cost life insurance, generally term but in some cases with an option to convert to permanent insurance. Prices are comparable to and in some instances lower than insurance offered by other sources, whether on an individual or group basis. Funds see group life as just the first in a package of new financial services they can offer shareholders. Other forms of insurance, annuities, and even tax shelters may be next.

A Fund That Loans Money

Now, certain mutual fund shareholders can borrow against the value of their shares. The Fidelity Organization, which manages 22 mutual funds with assets in excess of $6 billion, has launched a low-cost loan program in six states: Massachusetts, Pennsylvania, Illinois, Missouri, Ohio and New York.

Because the loans are backed by each borrower's shares in mutual funds managed by Fidelity, the fund can charge interest rates that are lower than those for many unsecured personal loans. At the present, Fidelity charges 2% over the broker loan rate for loans up to $25,000. For larger loans the cost declines to as low as .5% over the broker loan rate. Fidelity shareholders may borrow up to 50% of the value of their mutual fund investments. Since the minimum loan is $5,001, an investor needs a minimum $10,002 investment to participate. The loans are non-purpose that can be used to buy additional shares of Fidelity funds or for almost any other purpose—to finance a new car, to pay college tuition, etc. The borrowing is simple and convenient. No credit checks or bank references are required. A line of credit can be set up. Neither principal nor interest need be repayed on a fixed schedule. At the option of the borrower, interest may be added to the outstanding loan balance. (Of course, it is beneficial to pay interest at least once a year to get the income tax deduction.)

NO-LOADS: THE ECONOMICAL DO-IT-YOURSELF WAY OF INVESTING

Of the 514 mutual funds presented in this *Almanac*, more than one in three has no sales charge at all. These are the no-loads. The reason there is no sales commission, or "load," is that no-loads have no salesmen. With no-loads, the shareholder takes the initiative, and bypasses the salesman and his commission.

There is no other difference: both no-load and load funds have professional management and management fees. There are both good- and poor-performing no-loads, just as there are good- and poor-performing load funds.

No-loads don't sell contractual plans, but they do have both lump sum purchases and voluntary plans. The only difference, since there are no commissions, is that some no-loads enroll you in a voluntary plan in order to give you the privilege of buying fractional shares and reinvesting dividends automatically. Because they enable the involved investor to save substantial sums, no-loads have grown rapidly in recent years. At the beginning of 1967 there were 61 such funds. Even with the consolidation in the fund industry the last few years, there are now 279 no-load funds (including 77 money market funds) that will match virtually any investor's situation and investment objective.

Investor support for no-load funds has remained firm throughout the recent bear markets. While the total mutual fund industry excluding money market funds has been hurt the past six years by net redemptions (more shares sold back to the funds than purchased) no-loads sold more shares than they redeemed during these same years. In fact, 1979 was the eighteenth consecutive year of net sales for the no-load segment of the fund industry.

The mutual fund industry is becoming more and more no-load oriented. In 1979, the no-loads accounted for 53% of total new sales in the mutual fund industry including load and no-load fund sales, but exclusive of money market fund sales and reinvestment of dividends. (Dividend reinvestment is still an important source of sales for the larger load-fund section.)

The absence of a sales charge has become extremely important in the sale of income funds, including money market and the new municipal bond funds. A sales charge can easily wipe out the first year's income. As a result, all the *Almanac*'s money market funds are now no-load (although one has a $100 service fee). While only a third of the municipal bond funds were introduced no-load, these funds account for three-fourths of all tax-free mutual fund assets.

According to the No-Load Fund Association, there are now 4.3 million no-load mutual fund shareholder accounts. A 1975 study conducted by the Investment Company Institute found that the investors who bought no-load funds generally had higher incomes, more wealth and better education than investors who bought load funds. The no-load fund purchasers had a median income of $25,300 (in 1975). Their assets and investments had a median value of $80,300. Almost two-thirds had completed college.

Responding to investor interest in no-loads, over 50 old-line load funds dropped commission charges and converted to no-load status. Initially, whole fund groups, such as Financial Programs changed over. More recently, there has been a trend toward the established load fund groups switching only a portion of their funds to no-load to "work both sides of the street." Dreyfus Funds eliminated the sales charge for the Dreyfus Special Income fund. It is now more competitive since the lack of a sales charge automatically raises the effective dividend yield. When money market and municipal bond funds became a reality, Dreyfus successfully brought theirs out no-load.

On February 9, 1977 fund history was made when the $2 billion—14 fund Vanguard group of funds announced their conversion to no-load status. Investors familiar with fund investing in the fifties and early sixties will, of course, remember the fervor with which

salesmen pushed such Vanguard funds as Wellington, Windsor and Ivest. Times have changed. The bear markets have taken their toll of the part-time mutual fund salesmen. Stockbrokers find options, tax shelters, and even insurance annuities jazzier products than mutual funds.

In announcing the conversion, John Bogle, chairman and president of the fund group said, "As a result of this change to no-load status, we believe that our investment companies will be especially attractive as investment vehicles. We also look to an expanded acceptance of our funds by institutional investors, such as corporate pension plans and foundations." Vanguard is now the largest no-load fund group, surpassing by a small margin Baltimore's T. Rowe Price organization.

Funds are always searching for better ways to market their shares. In April 1977, the no-load Smith Barney Equity Fund and Smith Barney Income & Growth Fund instituted a novel change, adding a sales charge that applies only to purchases made by new shareholders and only for the first 24 months they hold shares. Thereafter, these new shareholders will join the ranks of the no-load shareholders. Any additional purchases made by existing no-load shareholders are not affected by the change. The Smith Barney funds are advised by a subsidiary of Smith Barney, Harris Upham & Co., a major brokerage firm. It is expected that with more than 1,000 registered representatives in some 90 offices, a favorable flow of investment capital will be created. The funds are now listed in the paper as loads even though most shareholders will be able to buy them without paying any sales charge.

No-Loads Have A Helluva Head Start

Once you have selected a no-load fund you enjoy the same mutual benefits that are yours with a load fund—the diversification of risk, mass buying power, and professional management. In addition, you gain three additional advantages: 1) greater flexibility in switching funds without commission penalties; 2) the satisfaction of self-selection from a wide array of available no-load funds, and 3) greater profits.

With no-loads, all your money goes to work. This gives the no-load investor a "helluva head start." Here's why. Let's assume two $10,000 investments: one in a load fund, the other in a no-load. In the case of the load fund 8½%, or $815 is deducted, the remaining $9,150 is invested. If both funds grow at the same rate—10 percent per year, for example, the no-load will be worth $11,000 at the end of the first year, while the load fund will be worth only $10,065. The no-load investor is now $1,000 ahead; the load fund investor is about even. But let's look closer. Originally the no-load investor had $850 more working for him than did the load fund investor. Now the differential is $935 ($11,000 vs. $10,065). What has happened is that the $850 paid out as commission in one case, but invested in the other, is also growing. And over the years this sum will continue to grow and compound, widening the differential. By the end of 20 years, the no-load investment will be worth close to $6,000 more. When differences like this exist, smart investors take advantage of them.

In actual practice this has meant that no-loads have outperformed loads over a period of years. The Hirsch Organization did a study comparing load and no-load performance over all possible five, ten, fifteen, and twenty year periods between 1950 and 1970. The results were amazing. The no-loads won in every case. The following chart summarizes these findings. The table shows, for example, that in sixteen different five-year periods, $10,000 in the average no-load fund appreciated $7,935—outpacing the load funds by 31 percent.

The conventional wisdom offered by all experts is to buy the best fund regardless of sales charges. This advice, while valid, doesn't take into account that today there are so many good no-load funds there is no longer reason to buy a load fund in order to achieve superior performance. Last year, for instance, thirteen of the top twenty-five funds were no-load. Since few investors need more than three or four funds, the selection of no-loads is more than adequate.

How To Invest In No-Load Mutual Funds

How to set up a successful do-it-yourself investing program in no-load mutual funds was

described in a 1974 book devoted exclusively to no-load funds. *Put Money In Your Pocket, The Art of Selecting No-Load Mutual Funds for Maximum Gain*, by Sheldon Jacobs, enumerated the following eight steps toward investing success. Note that the first five would be the same for successfully selecting load funds.

Buying no-load funds is a challenging do-it-yourself program in which the investor exercises the initiative. Like most do-it-yourself programs, it requires time and know-how. But in the case of no-loads, once you've learned the fundamentals, periodic evaluation shouldn't take more than one hour per month. Of course, there is the quick check, at least once a week, of your funds in the paper. But it's well worth the effort. When success is yours—and the chances are good when you follow a logical plan—the psychic and monetary rewards of investing in no-loads are great.

Here are the steps necessary to initiate a no-load investment program.

1. Analyze your specific investment objective. How much risk are you willing to take? Will you accept great risks for maximum gains, or would you prefer a more conservative course of investing with less risk and less potential?

2. Learn to recognize which mutual funds are designed to meet your specific investment objective. This is the most important step and the one most neglected. Far too many investors have unknowingly bought funds either too speculative or too conservative for them—and their investment programs suffered as a result.

Table 15

No-load vs. Load Funds*
(All Periods, 1951-1970)

Results of $10,000 Lump-Sum Investments	Average Net Appreciation No-Loads	Load Funds	Difference No-Loads Over Loads
1. Five-Year Periods (16)	$ 7,935	$ 6,059	31.0%
2. Ten-Year Periods (11)	20,117	16,490	22.0
3. Fifteen-Year Periods (6)	42,462	35,266	20.4
4. Twenty-Year Periods (1)	68,010	53,051	28.2
5. Five-Year Periods (4 most recent)			
All Funds	8,027	5,677	41.4
Growth Oriented Funds Only	9,026	6,467	39.6
6. Ten-Year Periods (5 most recent)			
All Funds	17,408	13,946	24.8
Growth Oriented Funds Only	19,779	15,505	27.6
Systematic Investment Plans			
7. Ten-Year Plans (11) ($12,400 in Payments)	10,191	7,611	33.9
8. Fifteen-Year Plans (6) ($18,400 in Payments)	26,440	21,036	25.7

All distributions reinvested, sales charges deducted

Average annual appreciation for no-load funds was 11.5%, for load funds, 10.0% (bear in mind load funds had sales charges while no-loads did not).

*Summary of a study by The Hirsch Organization, Inc.

3. Select a number of no-load funds whose objectives coincide with your own.

4. Analyze past performance to determine the best two or three funds among those that meet your objective.

5. Learn the criteria for selecting those funds that are most likely to perform well in the future.

6. Write or phone for prospectuses of two or three top-performing funds. You need the prospectuses to eliminate funds that are undesirable for reasons other than performance. For example, you can learn from the prospectus if the fund is being sued or if expenses are abnormally high. In addition, the prospectus usually has an application blank, making it convenient to purchase the fund.

7. After examing the prospectuses, make a decision and buy one or more funds.

8. Continue to follow the performance of these and other top-ranked funds.

With this plan of action you can blueprint your own financially rewarding investment program.

No-loads aren't for everybody. Only people who have the inclination to learn how to evaluate mutual funds and are prepared to make their own investment decisions will profit from no-load mutual funds. Not everybody wants to or has the ability to do this. Some people who have no interest in financial matters will always prefer to rely on a trained salesman and will consider his fee worth the expenditure. Nevertheless, if you are willing to spend some time learning about mutual funds and do some work evaluating them, you, on your own, can do a good job picking top mutual funds. Other no-load investors are doing it right now. So can you.

Load funds are bought through a salesman. No-load fund prospectuses have an application blank. However, if you want to buy a fund but don't have a prospectus, call the fund and place an order. Some funds have 800 numbers, some will accept collect calls. Try; if they won't accept charges, they will say so. If the fund doesn't accept phone orders at all and you don't want to wait for the prospectus to arrive send the following letter;

Dear Sirs:
Please purchase as many shares of the ___ Fund as the enclosed check for $___ will buy. Register the shares under (name and address). My social security number is___. Please reinvest (or do not reinvest, or reinvest income) any distributions. Do (do not) send me the certificates.

Sincerely,

The Toll-Free Telephone Revolution

There has been a revolution in fund marketing in recent years. Many mutual fund organizations now have 800 telephone numbers that have become a critically important part of their sales effort. These phone numbers, free to the caller, enable the funds to deal with shareholders or prospects anywhere in the country. For the no-loads they provide a human voice to handle many duties that were once the sole province of the mutual fund salesman.

The trend to 800 numbers probably started with the money market funds. Then when the municipal bond funds came on the scene, many of the no-loads were sold via 800 numbers. Now, a great many large fund groups have them for all their funds. The *Almanac*'s Money Market Fund Directory lists the 800 numbers for many major groups.

Telephone Switching— The New Flexibility

It is not enough that funds have been socked with redemptions for several years now. Some funds have now found a way to make redemptions even easier. Surprisingly, these funds have made a very astute move, one that will benefit both them and the investor.

It is now possible for mutual fund investors to buy and sell mutual funds by telephone as easily as stock traders can call their brokers to buy and sell stocks. This new flexibility has

been made available because fund groups now have money market funds. Historically, funds were sold as long term investments and did not provide instant liquidity, in part because their income comes from management fees which are lost upon redemption.

Monies intent upon leaving equity funds can now be recycled to the fund group's money market fund with the fund still collecting its management fee. Thus, the funds themselves benefit from this new flexibility; they don't lose assets under their management. (This differs from the old style exchange or conversion privilege mentioned previously. This conversion is effected by letter and is primarily intended as a way of switching from, say, speculative to conservative funds as the investor's financial situation changes.)

This new capability offers advantages unavailable even to stock traders. 1) Switching no-load funds, there are no transaction costs. 2) Funds switched to a money market fund start earning interest immediately. It is often slower and less convenient to put the proceeds from the sale of a stock into interest earning securities. 3) With fund switching, there is no need for stock selection, a benefit to those investors who now accept random walk theory or want good diversification. Many market timers trading stocks should now utilize funds.

Secondly, the telephone switch offers a far better way to sell a fund. Traditionally, it has been easy to buy, but a relatively cumbersome and time-consuming process to redeem fund shares. The usual procedure to sell a no-load fund is to first read the prospectus to determine the individual fund's procedure for selling. Then a letter must be written requesting redemption. This letter almost always needs a signature guarantee, entailing a trip to the investor's bank. Then, once the letter is mailed, it takes one day or more before the fund or the custodian receives the letter; this depends on the investor's location, the fund's location and the mood of the post office. Finally, the custodian bank legally has seven days before it is required to mail the proceeds to the investor. They usually do it in somewhat less time, but overall it is common for one-to-two weeks to elapse from the time of the initial sell decision until the investor receives the proceeds.

Significantly, some of the best managed funds in America now permit telephone switching. Boston's Fidelity group, the Rowe Price organization, Dreyfus, and the Financial funds all provide telephone switch capability between four or more no-load funds. The funds run the gamut from speculative to conservative stock funds, taxable and tax-free bond funds and money market funds.

The Bull and Bear Funds, the former holding stocks long for appreciation in up markets, the latter short on stocks to capitalize on down markets permit unlimited switching between the two funds. The Bull and Bear Funds' management believes this investment strategy is potentially more rewarding than the alternative of switching to money market funds in down markets.

A few small performance funds have teamed up with money market funds or banks. Pennsylvania Mutual can be switched into Scudder Managed Reserves and back at no charge; 44 Wall into the Reserve Fund and back and the Nicholas Fund into a savings account at the First National Trust.

Judging from industry statistics, conversions—including the conventional exchange privilege as well as the new telephone switching—have become an important aspect of mutual fund investing. According to the Investment Company Institute, in 1978 $3.6 billion was shifted from one fund to another within the same fund groups, double 1977's activity. The magnitude of these conversions surely documents the increased sophistication of mutual fund investors.

However, while telephone switching has attracted lots of new investors and lots of new money to no-loads, it is something less than an unalloyed benefit for the funds. They must keep reserves on hand to meet redemptions that can run at high levels at the worst times. Sometimes their carefully laid timing plans go astray because of investors utilizing their telephone switch privileges.

These investors, if they are right on, will redeem just as a decline in the market is getting underway and reenter just as stocks are moving upward. Thus, if a fund is astute enough to develop a large cash position in correct anticipation of a decline, these reserves can quickly melt away in the face of the switcher's redemptions. The fund may inadvertently find itself fully invested in a declining market. Worse yet, if the fund was fully in-

vested, it would have to sell stocks as prices eroded.

In the steep October 1978 market decline, many investors redeemed the ultra volatile 44 Wall Street Fund. Rather than sell stocks to meet these redemptions, the fund raised its leverage position to 30%. Then the market turned around on November 1 after Carter took steps to defend the dollar, the fund gained 18.4% in a single day, possibly a mutual fund record! 44 Wall went on to recoup much of its previous losses.

Conversely, a fund would like to be fuliy invested at the beginning of an upturn. While they always welcome new money, if it pours in as the market is rising, putting it to work quickly is a difficult task. Bargains disappear quickly in an up market.

The New Horizons Fund's 1978 annual report notes how concerned this large fund is when trading becomes excessive. The New Horizons Fund has a portfolio of newer, smaller growth companies—stocks which are relatively illiquid. The fund feels it is an investment vehicle for a small but long-term part of an investor's portfolio. They don't need traders, and they have taken steps to limit their activity. They pointedly note in the annual report, "Despite our warning, excessive trading patterns persisted, and it became necessary during the fourth quarter (of 1978) to reject a number of new purchase orders from shareholders who, in our opinion, were trading their New Horizons Fund accounts to the potential detriment of other shareholders. These traders are a very small number relative to all New Horizons Fund shareholders, but highly volatile subscriptions/redemptions can be to the distinct disadvantage of all Fund shareholders."

In contrast, Fundpack has welcomed switchers. Yet it is interesting to note their effect on the fund. When the 1978 performance results came in, the *Almanac* was surprised to see the fund was yielding 20.2%. How could a fund investing in other mutual funds, mostly of the speculative variety, yield that much? The answer is that the fund stays fully invested, so a lot of short term capital gains were produced as the fund traded its portfolio in reaction to investor purchases and redemptions in the volatile 1978 market. Short term capital gains are included with dividend income on a fund's 1099.

This all sounds nice and good so far. But we would note that the fund, on a total return basis, declined 13.6% in 1978. It ranked in the bottom decile of all funds.

Redemption Fees

While no-load mutual funds have no "entrance fee, a few do have "exit" fees, or more properly, redemption fees. In most cases these redemption fees are levied to keep investors from taking advantage of the no-load's marketing structure by "trading" them. These fees are entirely proper since no mutual fund wants short-term money. All payments and withdrawals involve administrative costs and the possibility of bad checks. No fund feels it can properly invest money that might be withdrawn within a short time.

While a one percent charge is the most popular level, a few funds go as high as two percent. Many funds apply the redemption charge only on shares held less than six months or a year; thereafter, the shares can be sold without penalty. The *Almanac* recommends you not avoid a specific fund simply because it has a redemption fee. After all, it's less than the commission charged for many stock transactions.

THE DOLLAR-COST-AVERAGING PARADOX

Some mutual fund shareholders, who systematically invest the same number of dollars each month, are actually happiest when the price of their fund shares goes down. The reason for this strange behavior is that the lower price enables the shareholder to purchase more shares in his fund. A higher price, on the other hand, would net him fewer shares.

Suppose you were starting a ten-year, $100-a-month investment program in a mutual fund. Which hypothetical price action would you prefer to see:

1. Your fund's shares staying at $5 for the entire period and rising to $10 on the last day of the tenth year, or:

2. Your fund's shares starting at $5 and moving up to $10 within a month (remember this is only hypothetical), and remaining at that price for most of the ten years, except for the last month, when the price rose to $15 a share?

If you were investing one lump sum for a ten-year period, you would naturally prefer the second example, which would give you the lowest price for your original shares. However, any systematic investor would prefer the first example. A $100-a-month program would have purchased 20 shares per month for 120 months, for a total of 2400 shares worth $24,000. The same investment program in the second example would have only purchased about 1200 shares worth $18,000, even though the price of the fund's shares ended $5 higher.

Many investment books and mutual fund brochures discuss dollar cost averaging and point out its advantages to institutional and individual investors. Simply put, it means investing the same number of dollars in the same security on a regular basis—months, quarterly, yearly. As you will be buying more shares when the price is low and fewer when the price is high, the average cost of your shares will be lower than the average market price for the period.

Don't think for a moment that dollar cost averaging guarantees a profit. It doesn't. To make dollar cost averaging succeed you must have the financial ability to continue monthly payments regardless of price levels. Naturally, if you discontinue your payments when the market value of your accumulated shares is less than cost, you will incur a loss. Furthermore, no investment program can insure against a loss in declining markets. However, despite these caveats, dollar cost averaging provides a way of investing that has proved its value when faithfully followed in both good times and bad.

Following is a real life example of the benefits of dollar cost averaging. Table 19 shows the results of investing an initial $1,000 in the New Horizons Fund on January 1, 1968, and $500 each quarter thereafter. This time period was chosen because the net asset value per share on the starting date was $8.99, which was not substantially different from the $9.70 per share at June 30, 1978. During the intervening 10½ years the price of a fund share rose as high as $15.53 and went as low as $4.51. Over the 10½ years, the weighted average purchase price per share was $8.39 and the cumulative cost of the investments was $22,000. The value of the shares at the end of the period (including those acquired by reinvestment of income and capital gains distributions) was $28,559. The $9.70 end of period N.A.V. was 8% higher than the beginning N.A.V. while the investment was worth 30% more than its out-of-pocket cost.

If dollar cost averaging is for you, here's a tip on how to maximize your return using this method. According to our companion publication, the *Stock Trader's Almanac*, Monday is traditionally a down day in the market—it closed lower than the previous Friday 58.2% of the time over a 27-year period, while the other four days have been up days over the long run. Therefore, investors who are dollar cost averaging should either telephone their orders on Monday or mail their checks timed to get Monday's closing prices. By following this practice, over a long period it is likely that shares will be purchased at lower prices than if checks are mailed on the first or fifteenth day of the month.

Table 16

ILLUSTRATION OF A CONTINUOUS INVESTMENT PROGRAM

in terms of an Assumed Initial Investment of $1,000 and Subsequent Investments of $500 Per Quarter with Dividends Reinvested and Capital Gains Accepted in Shares

The table below covers the period from January 1, 1968, to June 30, 1978. This period was one of generally fluctuating common stock prices, with several sharp swings up and down during the period. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment in the fund today. A program of the type illustrated does not assure a profit or protect against depreciation in declining markets.

Year Ended 12/31	Amount of Initial and Quarterly Investments	Cumulative Amount of Initial and Quarterly Investments	Amount of Dividend Income Reinvested	Average Purchase Price*	Value of Shares Acquired Through: Initial and Quarterly Investments (Cumulative)	Value of Shares Acquired Through: Reinvestment of Capital Gain Distributions (Cumulative)	Value of Shares Acquired Through: Reinvestment of Dividends Distributions (Cumulative)	Cumulative Market Value of all Shares Owned
1968	$3,000	$ 3,000	$ 0	$ 9.46	$ 3,512	$ 0	$ 0	$ 3,512
1969	2,000	5,000	19	9.42	5,157	175	18	5,350
1970	2,000	7,000	39	7.57	6,492	352	51	6,895
1971	2,000	9,000	45	10.34	12,087	712	141	12,940
1972	2,000	11,000	39	14.24	16,461	1,095	212	17,768
1973	2,000	13,000	51	10.28	10,750	1,129	148	12,027
1974	2,000	15,000	82	5.71	8,244	713	141	9,098
1975	2,000	17,000	171	6.53	13,279	977	426	14,682
1976	2,000	19,000	164	7.25	16,605	1,074	642	18,321
1977	2,000	21,000	177	7.40	20,731	1,199	921	22,851
6/30/78	1,000	22,000	273	8.64	25,700	1,423	1,436	28,559

* Average Purchase Price figures reflect the 3 for 1 split of record May 1, 1973.

The table shows that the investor's cumulative cost of initial and subsequent investments was $22,000. For all shares owned, including those obtained through the reinvestment of capital gain and dividend distributions, the weighted average purchase price per share was $8.39.

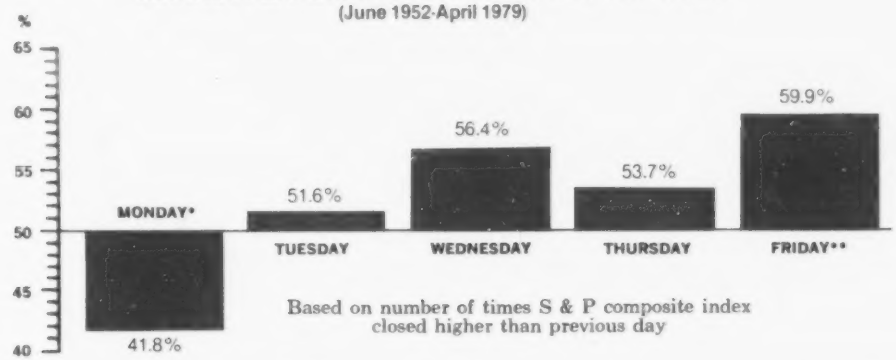
The dollar amounts of capital gain distributions reinvested in additional shares were: 1969—$182; 1970—$220; 1971—$130; 1972—$219; 1973—$843; 1974—$46. The total dollar amounts of capital gain and dividend distributions reinvested in additional shares were $1,640 and $1,060 respectively.

No adjustments have been made for any income taxes payable by shareholders on capital gain distributions and dividends reinvested in shares.

Chart 7

MARKET PERFORMANCE EACH DAY OF THE WEEK

(June 1952-April 1979)



Source: The 1980 Stock Trader's Almanac

*On Monday holidays, the following Tuesday is included in the Monday figure.
**On Friday holidays, the preceding Thursday is included in the Friday figure.

TAX SHELTER OPTIONS FOR THE MUTUAL FUND INVESTOR

The Employee Retirement Income Security Act of 1974 was created to close the gap in private pension coverage. It has expanded tax-shelter options for millions, and for some it opens up the possibility of the ultimate goal: to retire at 100% of salary. ERISA covers four major areas—an expanded Keogh plan, a new Individual Retirement Account, corporate retirement plans and annuity plans. Here are highlights for the mutual fund investor.

Keogh Plans— A Double-Barreled Tax Break For The Self-Employed

A Keogh plan is a way for a self-employed individual to set up his or her own retirement fund. Named after one-time Brooklyn Congressman Eugene Keogh who sponsored the original legislation in 1962, it consists of tax-deductible contributions and tax-sheltered accumulations of income and capital gains.

With a Keogh plan, you get an immediate tax deduction for the money you set aside each year in an investment fund. All the earnings and profits on the plan's investments are allowed to accumulate year after year completely tax-free—you pay no taxes until you receive benefit payouts upon retirement. In addition to this double-barreled tax break, if you eventually withdraw your benefits in a lump sum, the payout will be accorded special favorable tax treatment.

If you start a plan, the money you set aside cannot be touched until you reach retirement years—which cannot be earlier than age 59½. except in case of death or disability. If money is withdrawn prematurely, there are severe tax penalties. Furthermore, withdrawals must begin before the age of 70½.

The amount you can set aside for yourself on a tax-deductible basis is 15% of self-employed earned income or $7,500 per year, whichever is less.

You have a variety of investment choices—mutual funds, a security portfolio held in trust, a life insurance annuity, U.S. Treasury retirement bonds, etc. The mutual fund approach has big advantages.

1. Unlike a securities portfolio, which, under the law, must be placed with a bank as a trustee (and in smaller plans, the yearly trustee fee can cancel out your tax savings), with mutual fund shares, the bank need only serve as the custodian of the shares, usually for a nominal fee.
2. You can buy into a family of funds. It then becomes easy to switch from one fund in the group to another. This can be done—in some cases by phone—when your view of your investments or the market changes. Insurance and annuity contracts are generally fixed income investments which do not provide a hedge against inflation.
3. With funds, it is easy to keep track of your pension investment. Funds utilize a trustee or custodian to handle all paper work, and at least twice a year you are sent a report of the funds' activities.

Studies show that mutual funds are a very popular vehicle for the funding of Keogh plans. More than 400 funds now operate Keogh programs. The Investment Company Institute (the national association for mutual funds) estimates that one out of three Keogh plans in force use mutual fund shares. The Institute's figures indicate that by the end of 1978, there were 314,384 Keogh plans using mutual fund shares, valued at $3.2 billion.

The Keogh Plan is most attractive to people in high tax brackets—30%, 40% and up— since taxable income is deferred until retirement, when income drops enough to land you in a much lower tax brackets.

There is another requirement that makes the plan somewhat less attractive. If you have full-time employees—people who have been working for you three years or more—you must include them in your Keogh plan. But if your employee is your wife, this can be a plus.

In some instances, there is another plus. If your plan covers another participant who does not own more than 10% of your business, you can make an additional voluntary contribution

over and above the $7,500 maximum—up to 10% of yearly earned income or a maximum of $2,500, whichever is less. While this sum is not tax-deductible, all earnings on this voluntary contribution are tax-sheltered.

There are breaks for moonlighters too—call it a "mini-Keogh." If your total adjusted gross income is less than $15,000, you may contribute 100% of your self-employed income or $750, whichever is smaller. This provision is designed for the self-employed with modest earnings who would have a severely limited tax deduction under the general Keogh provisions. For example, the tutor or neighborhood piano teacher who earns $2,000 annually would otherwise contribute only the maximum 15% of yearly earned income, in this case $300. Remember: If you top the $15,000 limitation on total income by even a dollar, your deduction is cut back to 15%.

Advice for high-income investors: Where in past years you took risks to achieve the tax breaks that come with capital gains, you can now achieve these same tax breaks investing in conservative mutual funds through Keogh.

To determine how much you can save under a Keogh plan, take 15% of your self-employed income, and multiply this figure by your highest tax bracket. The result is your potential savings.

A new Keogh plan must be started by December 31, but only a token contribution need be made. The balance of the contribution and subsequent year contributions can then be made at tax filing time. For most people this means April 15 or later if you receive an extension. At that time, it is easy to determine the exact amount you can contribute. If you're interested in setting up a Keogh, simply write any fund which the *Almanac* lists as having a Keogh plan. The fund will send you explanations, complete instructions and forms. Warning, the paper work is not simple. It is advantageous to select a fund with a cooperative shareholder relations department easily available by phone. They can walk you through the forms.

Individual Retirement Accounts For Employees

Only self-employed persons are eligible for Keogh Plans. But now the Employee Retirement Income Security Act of 1974 permits Americans who work for others but who are not covered by any pension or plan to set up their own.

Called Individual Retirement Accounts (IRA's), contributions of up to 15% of compensation with a $1,500 maximum, are now deductible from income each year. Contributions will be non-taxable until the accumulated funds are distributed at retirement. In addition, income earned by the contributions will be non-taxable until the accumulated funds are distributed at retirement. In addition, income earned by the plan will be tax-free until paid out. Husbands and wives can set up their own plans, with each deducting the $1,500 maximum.

Additionally, the Tax Reform Act of 1976 extends the IRA benefits to homemakers. If your spouse is unemployed and has no compensation, your maximum allowable contribution will go up from $1,500 to $1,750. But to take advantage of this new higher limit, you must either set up two equal, separate accounts of $875 each, or a single $1,750 IRA account with two equal and separate sub-accounts of $875 each.

IRA contributions go into a tax-sheltered program so that all dividends, interest and capital gains are allowed to compound year after year and be reinvested completely tax free. IRA plans can be initiated individually. It is also possible for a corporation not providing its own pension plan to permit its employees to voluntarily participate in such a plan, cooperating by withholding the voluntary contributions from their employees paychecks for investment.

Also, under IRA provisions, you now can get a new tax break on lump-sum payouts from a pension or profit-sharing plan when you leave a company. The provision represents Congress' one-shot attempt to achieve some measure of pension portability. Here's how it works:

If an individual leaves his company or the company's pension program is terminated, he can establish an IRA rollover account. The vested funds received from the company must be deposited within 60 days in an IRA program. You must do this yourself; your company cannot open the account for you! When this is done, no tax is incurred, and once invested, the funds are tax-sheltered.

Moreover, should the individual join another company and qualify for its pension program, his funds in the IRA account, in certain circumstances, can be reinvested in the new employer's plan. Under the old law, this lump sum payout would have been taxed when received.

Good news for IRA participants. The IRS now allows you to make your IRA contributions up to the due date (including extensions) for filing your tax return for the tax year for which you are claiming the deduction.

Annuity Plans

In the past employees of tax-exempt organizations such as schools could receive tax advantages by purchasing annuities through their organization. The employee is allowed to have up to 20% of his compensation deducted annually for this investment. Now, this provision in the laws has been broadened to include a program investing in mutual fund shares with the same beneficial tax treatment.

In summary, the new law brings tax savings within reach of more than ten million Americans. You may now find one or more of these new provisions can help you to plan better for retirement. If so, one further word of advice: this law is highly technical; if you want to put it to work for you, seek professional assistance. Investment planning experts can maximize your personal benefits under the new pension law.

Mutual Fund Payroll Plans

More than 200 mutual funds offer payroll deduction plans. These are employee investment programs requiring no corporate contributions. They need only a corporate pension or profit-sharing plan which contains an "employee voluntary contribution" provision; if the company doesn't have this provision, a simple amendment to the plan can incorporate it.

Precisely what is the "voluntary contribution"? The Internal Revenue Service permits a corporate retirement plan to offer the voluntary contribution provision to all employees participating in the plan, and the employee can contribute up to 10 percent of his annual compensation on a voluntary basis.

However, the employee does not receive a tax deduction on his contribution, since he is investing "after tax" dollars. Nevertheless, there are substantial tax advantages. The employee receives a tax shelter on his investment; that is, dividends and capital gains are exempt from tax when distributed. Taxes are deferred until the employee receives his benefits—upon retirement or termination of employment. Under this plan, employees usually take their equity in a lump sum, paying a capital gains tax on the growth.

In addition to the tax advantage, there are four other features which strengthen the appeal of these payroll plans:

—The plans are flexible. Employees can select their own rate of contribution—from 1 percent to 10 percent—and can terminate the contribution at any time.

—Payment is easy since contributions are deducted from paychecks.

—The plans are portable. If the employee leaves the corporation, he can take his mutual fund money with him.

—If the money is invested in load funds, the pooled contributions of all employees are treated by the fund as a single purchase, qualifying for a volume discount and lower sales charges. Letters of intent and rights of accumulation are encouraged.

With payroll plans, funds will accept small payments—perhaps $10 per month—made painlessly through paycheck deductions. Funds don't usually accept such small amounts.

MUTUAL FUNDS FOR RETIREMENT YEARS

You may not realize how much of a start you already have on a retirement fund. Any planning of an insurance program or accumulation of a fund for retirement income has to be built around an individual's Social Security benefits. And if you've never sat down and figured out what they are, you'll probably be surprised by the size of the "estate" you've acquired through payment of the Social Security tax over the years.

Most readers of this book have the equivalent of a $158,400 capital fund to draw on for retirement income based on 1980 Social Security benefit schedules. Assuming that you qualify for maximum benefits, which a high proportion of you do, if you were to retire now, you would begin drawing $572.00 a month as your own entitlement, and an additional $286.00 a month for a non-working wife of retirement age.

To produce that $858.00-a month income with your own capital fund, you would need $158,400 invested at a 6.5% return in, say, a tax-free municipal bond fund.

For many, there are pension plans to supplement social security income. For civil service employees, pensions contribute many dollars to retirement. For the person who toils in the private sector, pensions may or may not be adequate. At present, private pension plans are far from universal, and lack portability. If you change jobs you will, most likely, lose your pension rights. In fact, a book by Ralph Nader and Kate Blackwell, *You and Your Pension*, estimates that at least *half* of the 34 million Americans now enrolled in these private pension plans *will never receive a penny!*

While the social security check provides the base for your retirement income, most of us can't—or don't want to—live on $858 a month or, $10,296 a year. To cut one's standard of living upon retirement is most difficult. Far better to plan ahead now, so that you can retire with the same income you enjoyed during your working years.

The massive upward surge in prices of everything from gasoline to food has relegated a lot of retirement planning statistics to the wastebasket. Today, in calculating how much monthly income you will need when you retire, it is safer to assume that the rate of inflation is going to stay high during your remaining working years. The table below shows the results of sustained annual rises of from 5% to 10% in the cost of living.

The table starts with $1,000 a month today —make your own adjustments. Then it shows how much you are going to need in 10, 20 and 30 years to maintain today's purchasing power.

Table 17

Monthly Amounts Needed For Retirement

Annual Rate of Inflation	Today	In 10 Years	In 20 Years	In 30 Years
5%	$1,000	$1,629	$2,653	$ 4,322
6%	$1,000	$1,791	$3,207	$ 5,743
7%	$1,000	$1,967	$3,870	$ 7,612
8%	$1,000	$2,159	$4,661	$10,063
9%	$1,000	$2,367	$5,604	$13,268
10%	$1,000	$2,594	$6,727	$17,449

Note that a small change in percentage can add up to a very large total over the years. For example, the difference between an annual inflation rate of 5% and one of 10% may not sound very big—but at the higher rate *you will need four times as much income after thirty years.*

In one sense these statistics aren't quite as frightening as they might seem at first glance, because you can reasonably expect your earnings to rise between now and the day you retire. If you are fortunate, they might even keep pace with the increase in the cost of living. Furthermore, Social Security now has an escalator. Benefits will increase whenever

the Consumer Price Index rises by 3 percent or more.

Consider mutual funds as a logical supplement to Social Security benefits or to a pension in planning your systematic retirement program. Funds have the potential for appreciation and growth that will provide you with the best protection against an uncertain future with the inevitable ups-and-downs of the economy.

Check-A-Month Withdrawal Plans

Sam Shulsky is a well known syndicated financial columnist whose column increased the level of financial understanding by answering a wide range of reader questions. One such reader queried Mr. Shulsky, "I've just retired at 66. My assets consist primarily of an income-type mutual fund and cash in day-to-day savings. How do I get the mutual fund to send me dividends and capital gains by check? (They have always been reinvested.) Do I need the help of a lawyer?"

"Certainly not," responded Shulsky. "All you need do is write to the fund and tell them that from now on you want the dividends and any gains sent to you instead of being reinvested."

Actually, the mutual fund industry goes far beyond simply sending you your dividends and gains. Most mutual funds enable a shareholder to withdraw a fixed number of dollars each month from his fund in amounts to suit his needs. This facility is called a "systematic withdrawal plan."

Usually the only requirement for setting one up is to own a minimum number of shares; $5,000 to $10,000 is common. Check the fund's prospectus for the minimum. Once that requirement is met, the rest is simple. Here's how a typical withdrawal plan might be set up:

With $10,000 in shares in a growth/income fund—yielding 3% annually in dividends—arrangements might be made to withdraw $50 a month or $600 per year. This means six percent of the fund's value will be withdrawn annually. This $600 will consist of approximately $300 in income dividends and the rest from his own principal—the redemption or $300 worth of shares. All the while, the bulk of his capital keeps working for him.

Withdrawal plans are definitely not insurance annuities—which guarantee fixed payments for life with no danger of capital depletion. On the other hand, this annuity offers no inflation protection. Nor can the capital be touched, nor the contract cancelled.

To discourage users of withdrawal plans from making inroads on their capital, most plans limit withdrawals to a certain percentage of the value of your shares—typically, 6 percent. (This doesn't mean that you can't redeem or cash in shares at your discretion; it applies only to the size of the regular monthly checks that the fund sends you under the plan.)

There is, of course, no assurance that any mutual fund will, in the years ahead, experience the appreciation of share value that would allow you to draw out 6 percent yearly without depleting capital. But based upon past experience, this rate of payout is quite feasible.

An historic, long-range study was conducted by the University of Chicago's Center for Research in Security Prices. They programmed a computer with all the data on price changes and dividends paid over a 40-year period, 1926 to 1965, for more than 1,800 stocks listed on the New York Stock Exchange. They found the average rate of return for common stocks over the entire 40-year period was 9.3 percent, compounded annually.

The study has been updated. The Center for Research reported in *Fortune* magazine that the appreciation of the Standard & Poor's 500, assuming reinvestment of dividends, provided an average annual return of 8.6% from 1926 through October 1974. These data give full weight to the last bear market. If the calculations had been stopped at the end of 1972, the annual return would have been 9.8%. It goes without saying that a major upswing in stock prices would push the annual return figure upwards again. In all instances, the long-term growth is comfortably greater than the recommended 6 percent payouts for funds.

How large a monthly investment would you need to provide you with the amount of retirement income you'd like to have? The figures can be only illustrative, of course, because there are no guarantees concerning mutual fund performance. But considering the

Table 18

Monthly Investment Estimator

Beginning at age	To have $10,000 at age 65, monthly investment is:
30	$ 3.40
35	5.46
40	8.92
45	14.97

University of Chicago studies a 9% average annual increase in share values is certainly in the ballpark. Above is what you'd have to invest each month, beginning at various ages, for each $10,000 of capital you're aiming for at age 65.

Bearing in mind that each $10,000 worth of shares would provide an income of $50 a month, on the basis of 6 percent annual withdrawal, it's easy to decide how much retirement income you'd have—in addition to Social Security benefits—and translate that into the amount of principal needed, in units of $10,000 or fractions. Multiply the number of units by the amounts in the table above and you'll see how surprisingly little you have to set aside each month to reach—using our assumptions concerning growth—some pretty impressive retirement-income goals.

There are many variations of withdrawal and many things to consider before starting a plan. In a rising stock market, as we experienced in the sixties the assets in many plans continued for a ten-year period increased in value 50 to 100 percent or more, in spite of withdrawal payments. On the other hand, plans started in the seventies saw the value of the portfolio reduced.

Withdrawal plans in different funds will provide their investors with varying results, particularly if the funds' objectives are differ-

Table 19

Broad Street Investing Corporation

AUTOMATIC CASH WITHDRAWAL PLAN ILLUSTRATIONS 1964 — 1973
ILLUSTRATIONS OF ASSUMED INVESTMENTS

$10,000

Based on Initial Net Asset Value of $9,150 With $50 Withdrawn Each Month

	AMOUNTS WITHDRAWN				VALUE OF REMAINING SHARES			
Year Ended 12/31	From Income Dividends	+ From Capital	= Annual Total	Cumulative Total	Value of Remaining Original Shares	+ Value of Shares Received as Gain Distributions*	= Total Value of Shares Held at Year End	
1964	$ 298	$ 302	$ 600	$ 600	$ 9,736	$ 270	$10,006	
1965	309	291	600	1,200	9,789	601	10,390	
1966	310	290	600	1,800	8,000	923	8,923	
1967	309	291	600	2,400	8,285	1,669	9,954	
1968	302	298	600	3,000	8,945	1,869	10,814	
1969	314	286	600	3,600	7,550	2,273	9,823	
1970	305	295	600	4,200	6,685	3,012	9,697	
1971	305	295	600	4,800	7,276	3,749	11,025	
1972	314	286	600	5,400	7,560	4,716	12,276	
1973	346	254	600	6,000	5,582	4,371	9,953	
	$ 3,112	$ 2,888	$ 6,000					
RESULTS IF THE PLAN HAD COMMENCED JANUARY 1, 1973								
1973	$ 255	$ 345	$ 600	$ 600	$ 6,715	$ 558	$ 7,273	

* Amounts of distributions from gain received in shares were as follows: 1964—$271; 1965—$319; 1966—$413; 1967—$665; 1968—$0; 1969—$656; 1970—$843; 1971—$294; 1972—$596; 1973—$888; Total—$4,944. For the one-year period January 1, 1973—December 31, 1973—$664.

Table 20

National Investors Corporation

AUTOMATIC CASH WITHDRAWAL PLAN ILLUSTRATIONS 1964 — 1973
ILLUSTRATIONS OF ASSUMED INVESTMENTS

$10,000

Based on Initial Net Asset Value of $9,150 With $50 Withdrawn Each Month

	AMOUNTS WITHDRAWN			VALUE OF REMAINING SHARES			
Year Ended 12/31	From Income Dividends	+ From Capital	= Annual Total	Cumulative Total	Value of Remaining Original Shares	+ Value of Shares Received as Cash Distributions*	= Total Value of Shares Held at Year End
1964	$ 183	$ 417	$ 600	$ 600	$ 9,406	$ 175	$ 9,581
1965	195	405	600	1,200	10,717	415	11,132
1966	191	409	600	1,800	9,775	603	10,378
1967	204	396	600	2,400	11,699	1,309	13,008
1968	206	394	600	3,000	12,057	1,396	13,453
1969	224	376	600	3,600	11,532	1,900	13,432
1970	225	375	600	4,200	9,535	2,057	11,592
1971	176	424	600	4,800	11,289	2,915	14,204
1972	161	439	600	5,400	12,973	4,036	17,009
1973	165	435	600	6,000	8,659	3,471	12,130
	$1,930	$4,070	$6,000				
RESULTS IF THE PLAN HAD COMMENCED JANUARY 1, 1973							
1973	$ 86	$ 514	$ 600	$ 600	$ 5,923	$ 358	$ 6,281

* Amounts of distributions from gain received in shares were as follows: 1964—$176; 1965—$204; 1966—$206; 1967—$546; 1968—$0; 1969—$488; 1970—$445; 1971—$319; 1972—$476; 1973—$878; Total—$3,738. For the one-year period January 1, 1973—December 31, 1973—$473.

ent. To illustrate, here are the ten-year results for two funds in the Union Service Fund Group. In both cases the shareholder withdraws $600 per year for a total of $6,000.

The Broad Street Investing Corporation is an income-growth fund—with the accent on income. In the ten years ending 1973, a $6,000 payout would be comprised of $3,112 worth of dividends and the balance, $2,888 coming from capital. At the end of the ten years, the investor still had his original sum intact ($9,953). Note that the fund gained in some years and lost in others, including 1973. The investor's low point was in 1966, when his investment had fallen to $8,923. (See Table 22.)

On the other hand, if you had started a withdrawal plan in a growth fund, you most likely would have achieved different results. The Union Service Group also sponsors a growth fund, the National Investors Corporation. Over the years, National Investors has achieved greater capital gains, but paid out less in dividends.

If a National Investors' shareholder had withdrawn $600 annually for ten years, only $1,930 would have come from dividends; the balance, $4,070, would have come from capital, that is, from the sale of shares.

But this is only one side of the coin. We also want to see what the value of the remaining shares is. In this ten-year period, the growth fund was superior to the growth-income fund since the remaining shares were worth $12,130, even though the growth fund experienced a sharper decline in 1973.

Withdrawal plans offer a lot. With their convenience, flexibility and automatic payments, it seems likely that more investors in the future will turn in their blue chips for mutual fund withdrawal plans.

Why Not Eat Into Your Capital

Older people, dependent upon their investments for income, worry not only about the cost of living today, but also about how long their capital will last if they have to use some of it. Gerald Loeb, whose advice on fund selection was printed earlier in the *Almanac*, advised older people to forget about leaving a lot of money to their heirs and live it up a little these high-cost days by invading capital judiciously. He favored digging into capital for such non-capitalistic causes as eating out, taking winter vacations, and visits to children —activities that might strain tight budgets.

To find out how much you can safely eat into capital you must first consult an actuarial table to figure out your life expectancy. Here is a life-expectancy table for men and women covering the years from age 65 to 85.

Suppose you are now a 65-year-old male. You can expect to live another 16 years. If you have $100,000 that is growing at the rate of 6% a year, you can withdraw close to 10% a year and still have capital available over your "normal" life span. If the return on the investment is greater, more money can be withdrawn and the principal will last longer with smaller amounts used for current living expenses. For safety's sake, it is recommended that the life expectancy figure be doubled in determining the number of years you need capital.

Table 21

Life Expectancy

Age	Male	Female	Age	Male	Female
65	15.9	19.1	76	9.3	11.0
66	15.2	18.3	77	8.8	10.4
67	14.6	17.5	78	8.3	9.8
68	13.9	16.7	79	7.8	9.2
69	13.3	15.9	80	7.4	8.6
70	12.7	15.2	81	6.9	8.1
71	12.1	14.4	82	6.5	7.6
72	11.5	13.7	83	6.1	7.1
73	10.9	13.0	84	5.7	6.6
74	10.3	12.3	85	5.4	6.1
75	9.8	11.7			

Table 22

How Long Will Your Money Last?

Total Return Per Annum On Balance Of Principal

Percentage Of Original Principal Withdrawn Per Annum	3%	4%	5%	6%	7%	8%	9%
	Principal Will Last						
4%	46 yrs						
5%	30	41 yrs					
6%	23	28	36 yrs				
7%	18	21	25	33 yrs			
8%	15	17	20	23	30 yrs		
9%	13	14	16	18	22	28 yrs	
10%	12	13	14	15	17	20	26yrs

Source: Brevits

USING MUTUAL FUNDS TO PAY COLLEGE EXPENSES

One of the most chilling aspects of recent years, for families with college-bound children, has been the steep and steady rise in the costs of a higher education. The costs of attending college are high. The American Council on Education estimates that the average cost of an education in a four year public university will be $3,866 for the 1980-81 season. For other four year state schools the average is $3,616. The costs of attending private universities will zoom to $7,799 in the 1980-81 season. In private four year colleges the cost will be $6,102. These figures include tuition, fees, board, room, books, personal, and transportation. These costs are up seven percent in a year.

While scholarships will help some, you may be paying the freight if you have college-bound children. A systematic savings or investment program is the only way to avoid disappointments or hardships when college years roll around.

Mutual funds are particularly suitable for an equities program because they permit the family to set aside a few dollars out of each paycheck for investment, with the regularity that is essential to the fulfillment of a long-term program. And, as more and more families are discovering, it's possible to build up a college fund with virtually tax-free dollars.

By far the simplest way to save tax dollars while accumulating funds for your children's college education is through a program of outright gifts. Every state in the union makes this possible by the Uniform Gifts to Minors Act. Virtually every mutual fund's application blank has a place in its registration of shares section for a purchase of these "custodial" accounts. You fill in the name of the custodian and the name of the minor. The custodian can be an adult member of the minor's family, a guardian of the minor, or a trust company. There can be substantial tax savings with these accounts. The minor is the outright owner of the fund and any dividend or capital gains taxes are based on the beneficiary's tax bracket—generally low or non-existent.

In addition, various types of trusts can be set up to save on taxes. Some trusts provide that the minor will receive the income and eventually the principal from the trust. Thus the donor can save on both income and estate taxes. One kind of trust that can be utilized advantageously by the mutual fund investor is the *revisionary* or *short-term trust*. This trust is set up for a definite period of time, not less than ten years. After the end of the period the trust property reverts back to the donor. In this case there is a gift of income only. Warning: the tax laws governing trusts are complex. Don't try to set one up without the advice of a competent tax lawyer.

Gifts or trust accounts can go a long way toward paying your children's college bills.

Data For College Planning

While college costs are high now, they are sure to increase in the future. With this in mind, the *Almanac* has set up work sheets and tables in order to allow you to plan intelligently so that money for college will be available when it is needed. There are two sections for planning: 1) a work sheet to estimate how much you need, and 2) interest tables showing how much should be saved each month to meet these educational goals.

First, estimate the costs of your children's educations by determining how many years till college. Next, estimate the costs at that time. Fill in the rest of the columns and find the balance needed.

Then go to the interest tables to determine what you need to save each month to meet your goals. The tables are based on two levels of investment return—6 percent and 9 percent, compounded annually. A 6 percent return is a conservative estimate. The 9 percent figure is more in line with the average mutual fund experience.

Needless to say, while the figures are necessarily computed on the basis of a fixed rate of return, mutual fund investment does not guarantee the achievement of these returns. These goals may be met over the long-term, but are subject to the risk of loss or failure due to market conditions or poor fund selection. Because of market fluctuations and the immense sums now needed for a college education, we have started the table with six years—a minimal time to realistically achieve your goals.

Table 23

College expense work sheet

Children in Family	Number of years until college	Estimated college expense based on 4 years attendance	Present college fund	Balance needed	Monthly savings required (see table below)

Total monthly savings required _____

Monthly savings required with money growing 6% per year

Average amount needed	Years to College									
	6	8	10	11	12	13	14	15	16	17
$10,000	$119	$84	$63	$56	$49	$44	$40	$36	$32	$30
12,000	143	101	76	67	59	53	48	43	39	35
14,000	167	117	89	78	69	62	56	50	45	41
16,000	191	161	101	89	79	71	63	57	52	47
18,000	215	152	114	100	89	79	71	64	58	53
20,000	238	168	126	111	99	88	79	72	65	59
22,000	263	185	139	122	109	97	87	79	71	65
24,000	287	202	152	134	119	106	95	86	78	71
26,000	311	219	164	145	128	115	103	93	84	77
28,000	335	236	177	156	138	124	111	100	91	83
30,000	358	253	190	167	148	132	119	107	97	89

Monthly savings required with money growing 9% per year

Average amount needed	Years to College									
	6	8	10	11	12	13	14	15	16	17
$10,000	$111	$76	$55	$47	$41	$36	$32	$28	$25	$23
12,000	133	91	66	57	50	44	38	34	30	27
14,000	155	106	77	66	58	51	45	40	35	32
16,000	177	121	88	76	66	58	51	45	40	36
18,000	199	136	99	85	74	65	58	51	45	41
20,000	222	151	110	95	83	73	64	57	50	45
22,000	244	166	121	104	91	80	71	62	56	50
24,000	266	181	132	114	99	87	77	68	61	54
26,000	288	196	143	123	108	94	83	74	66	59
28,000	310	212	154	133	116	102	90	79	71	63
30,000	332	227	165	142	124	109	96	85	76	68

OF MUTUAL INTEREST

Mutual funds can be approached by the amateur as a simple purchase requiring very little thought—or they can be approached with the skills of the semi-pro. The following section will deal with some of the fine points of mutual fund investing. When mastered, they should equip you:

—to avoid major tax pitfalls caused by poor timing,

—to use a little known mutual fund tax break,

—to correctly compute fund performance,

—to read a fund prospectus.

These insights will provide you with the basic knowledge to elevate you above the novice level in fundsmanship.

Avoiding Unnecessary Taxes On Dividends And Capital Gains

Each year some mutual fund investors incur tax liabilities that could have been avoided, because they either don't understand the nature of dividend and capital gains distributions—or, if they do understand where the money comes from and why, don't realize that the tax liability can be avoided.

Most investors receive, some time during the year, either a check or a notice that their account has been credited. The payment is identified as dividend income, or a capital gains distribution. These distributions don't benefit the shareowner. Here's why. Let's say a fund, over the year, has accumulated dividends of 25 cents a share and realized capital gains of 75 cents a share, a total of $1. Since funds enjoy a tax advantage if they act as conduits by distributing at least 90% of these dividends, they will generally do so. In this way, the distributions aren't taxed twice; only the shareholder pays. (In contrast, corporate profits are taxed at two levels: once as corporate earnings and again when dividends are paid to shareholders.)

Let's assume it's now time for the fund to distribute profits. The fund is selling at $10 a share. It goes ex-dividend and, since funds are always priced at net asset value, the per share price immediately drops to $9. The investor will then receive a check for $1 per share of distributions or, if he is reinvesting, a notice that his account has been credited with additional shares. In either case, the sum of the current value ($9) and the distributions is still $10. The distributions have not provided any real benefit to either new or existing shareholders; only a tax liability has been incurred.

This is true whether you receive these distributions in cash or have only a reinvestment slip to show. In both cases, the fund will send a copy of the distribution notices to the IRS which will then collect the proper taxes on these profits.

The long-term shareholders should rightfully pay tax on these distributions because they shared in the growth that made them possible. But this is not true of a shareholder who bought shortly before the distribution was declared. He has only the tax liability. The only way to avoid tax liability is through timing of purchases. It will seldom be avoided completely, since the investor has no way of knowing how much, at any given time, a fund has accumulated in its dividend account, or how much realized capital gain is waiting to be distributed. But it can be minimized by not purchasing shares immediately before a fund goes ex-dividend.

How do you know when that's going to happen? Brokers and dealers are under instruction from both the Securities and Exchange Commission and the National Association of Securities Dealers that it is improper to sell fund shares to a customer when they know that a distribution is imminent. Most of them are conscientious about keeping track of the distribution dates of funds they handle, and will advise you to postpone a purchase if it's to your advantage—though occasionally a fund is less cooperative than it might be in making the information available.

If you're buying a no-load fund, you'll have to dig out the information the same way a broker-dealer does: from the prospectus or reports of the funds, from reference material such as the Wiesenberger annual, Standard & Poor's or Moody's dividend services, or by direct inquiry to the fund.

Dividends are paid whenever it suits the convenience of the individual fund, and dates are often unpredictable. Capital gains distributions are generally made at the end or beginning of a year in the period from November to February.

Dividends may be paid annually, semi-annually, or quarterly. The trend among performance funds—where dividends are small—has been toward yearly payouts at the same time as the capital gains are distributed.

Tax consequences may also affect the timing of a sale of fund shares. If you're an investor who receives more than $100 a year in dividends, you might consider selling just before an income distribution. In this way, the dividend income instead of being taxed at ordinary rates is converted into a capital gains distribution. Providing the fund has been held one year, it is then taxed at the lower long-term rates.

Tax tip: Don't forget that both dividends and capital gains distributions, when automatically reinvested, become part of your cost. For tax purposes, it's as if the fund had sent you checks for amounts due you, and you cashed the checks and then took the money out of your pocket to buy additional shares.

Here, for example, is one mutual fund's illustration of the ten-year results of an assumed investment of $10,000:

Value of shares initially purchased	$26,872
Value of shares acquired by reinvestment of dividends	5,720
Value of shares acquired by reinvestment of capital gains	5,100
TOTAL VALUE OF INVESTMENT AFTER TEN YEARS	$37,692

While the only money this hypothetical investor actually took out of his pocket during the ten years was the initial $10,000, if he now wished to redeem his shares he should list as his cost:

Initial investment	$10,000
Dividends used to purchase shares	3,048
Capital gains distributions used to purchase shares	4,052
	$17,100

Thus, although his original investment of $10,000 is now larger by $27,692, the capital gain he has to report for tax purposes is only $20,592.

Little Known Mutual Fund Tax Break

In a bear market, smart mutual fund managers often take their losses—to get out of the market or for tax benefits. In the aftermath of the 1973-74 bear market, their losses were often sizeable. When a fund has net *realized* tax losses, it doesn't have to distribute capital gains profits until its losses are fully offset. And because the Internal Revenue Service permits these losses to be carried forward for five years, 1974's losses can be absorbed through 1979. Investors benefit, since they don't have to pay any capital gains tax (unless, of course, they sell their shares at a profit).

It is amazing how many investors do not understand the tax consequences of distributions; how many investors still believe it is of real benefit to receive a distribution. The Anchor Fund group is dealing with these investors in a novel and clever way. Several Anchor funds had realized tax losses from the 1973-74 bear market. Thus to distribute capital gains earned in 1976 and 1977 would have meant their shareholders would pay unnecessary taxes since these gains could have been laid off against the tax loss carryover.

Nevertheless, many of Anchor's shareholders demanded a distribution. Not understanding the consequences, they thought that no distribution meant the funds had not produced any gains for them. In order to satisfy these shareholders, and still not incur any tax penalty for them, the Anchor management decided to declare a stock dividend. Now the long-term benefit of a stock dividend is often of arguable value even for corporation stock. In the case of a mutual fund, always priced at net asset value, it is a completely meaningless exercise. The price of the fund must immediately drop by the same exact percentage as the distribution. The Anchor people, of course, knew this. Nevertheless, in 1976 four funds declared 3-4% stock dividends and in 1977 Anchor Income declared a 2% stock dividend. The result: certain naive shareholders were kept contented; no tax liability was incurred. While our hats are off to the Anchor management, don't you be one of those shareholders who need their gains distributed.

How Performance Is Calculated

If you try to find out how well your fund performed in a previous year you're apt to be confused when you check the figures in various reporting publications. You'll find they may disagree with one another.

The reason? There are four different methods currently being used to determine a mutual fund's performance record. For illustrative purposes, let's take a fund that began the year with a net asset value per share of $10.00. One year later, the fund's portfolio of securities has increased in value so that each share is now worth $11.00. Also, at the end of the prior year's first quarter the fund made a capital gains distribution of 50 cents per share from security transactions.In addition, income dividends of 5 cents per share were paid each quarter (20 cents for the whole year) out of dividends the fund itself received from the securities in its portfolio. How should the fund's performance be calculated?

Method 1. The increase of $1.00 in net asset value is added to the 50 cents capital gains and divided by the original $10.00 per share. This results in a performance for the year of 15 percent ($1.50÷$10.00).

Method 2. Both the dividends and capital gains are added to the increase in net asset value and then divided by $10.00, resulting in a performance of 17 percent ($1.70÷$10.00).

Method 3. The dividends are ignored while the 50 cents in capital gains is reinvested in additional shares at the end of the first quarter. Assuming these new shares appreciated 7.5 percent in the last nine months, the performance via this method would be approximately 15.4 percent.

Method 4. Both the dividends and the capital gains are reinvested in additional shares at the time of distribution. Assuming all new shares appreciated at the rate of 2.5 percent per quarter, the performance calculated via this method would be approximately 17.5 percent.

You'll notice that in methods 1 and 2, one or both distributions are added to the basic 10 percent gain in net asset value so that performance equals 15 or 17 percent. The reason methods 3 and 4 produce results of 15.4 or 17.5 percent is that the fund's distributions were reinvested in additional shares at the exact time they were paid out to the shareholder. Since the market was rising, the additional shares also increased in value enhancing the overall performance by ½ percent. In a declining year, performance would be slightly less, as the additional shares would also decrease in value.

Which is the best or fairest method? That depends on your needs. If you're comparing fund performance to stocks, methods 1 or 3 would be appropriate since dividends aren't usually taken into account in computing stock performance. For this reason, 1 and 3 are usually used in prospectuses.

The best ways to compare one fund to another are methods 2 and 4 which take into account growth from dividends. These methods are particularly fair when funds with different objectives are compared since conservative funds provide a sizable dividend yield while growth funds, depending on capital gains for performance, produce little or no dividends.

Methods 2 and 4 produce about the same results. There was only a ½% difference in our example. The essential difference between the two: Method 2 closely duplicates the actual investment experience of shareholders who take their dividends in cash; method 4, the experience of shareholders who reinvest dividends.

Method 2 is used to calculate the performance of the funds in the *Almanac's* directory of Mutual Funds. If you're going to compute performance yourself from the daily paper we would suggest that you use method 2. It's easy and accurate. You can tell if there have been any distributions by looking for an "x" next to the fund's listing. This indicates the day the distributions were paid out. You have to get the amount itself from the fund or from an advisory service.

Readers should be aware that most annual performance tables make no allowance for sales charges or taxes that must be paid on capital gains or dividends. These tables tell you the funds' performance, not your own.

The Mutual Fund Prospectus

Most mutual fund investors have never read their prospectus or prospectuses—and

for good reason. The prospectus, too often, is a forbidding document filled with highly technical jargon which is mostly incomprehensible to investors. The fund industry knows this and while it wants to make prospectuses more informative and easier to read, it's pretty hard to get the legal profession and Washington to change their ways.

Nonetheless, the prospectus is a very useful tool for the mutual fund shareholder; one that the investor should learn to utilize since it is designed for his protection. A prospectus tells you if the fund's management is inexperienced or if the fund is being sued—facts that aren't readily accessible when you talk to a personal investment counselor or a broker. And only mutual funds always have a prospectus available. That's because new shares are continually being sold. You don't get a prospectus when you buy stock, unless it is a new issue.

Once you understand the prospectus you won't be afraid of it. And when you learn how it is formulated, you can quickly zero in on the sections of primary interest to you, since the data are fairly well standardized, thanks to close SEC supervision.

Here are the major sections with a brief explanation of each.

Basic nature, objectives and investment policy. In the statistical section of the *Almanac*, the objective is listed in one or two words. In the prospectus, it is described in detail; this is important since not all growth funds, or all income funds are alike. Some growth funds invest in established growth companies like IBM or Xerox; others buy new companies; still others look for turn-around situations or even go overseas for their investments.

The methods used in attaining these objectives will be listed. This section further explains whether the fund will use leverage, sell short, or attempt to forecast market trends.

Investment restrictions. These are investment techniques the fund agrees not to use. Funds may state they will not buy or sell real estate, commodity contracts, or buy puts and calls, straddles or spreads.

Portfolio turnover. The anticipated rate of buying and selling securities is revealed, as is the record for the past three years. A 100 percent turnover rate means the fund turned over its portfolio stocks completely in a year's time. A 200% rate means the average stock was held in the portfolio only six months. This section will also tell you whether the fund intends to hold stocks long-term or to engage in short-term trading activity.

Fund management. The prospectus identifies the people who are directors or trustees and, if there is an advisory board, the members of such a board. Management's occupations for the last five years are detailed and, in the case of new funds, this may point up inexperience. One caveat: The portfolio manager—the person who actually is running the fund—will not be listed unless he is an officer of the fund.

The prospectus sets forth the essential terms of the contract with the investment adviser and the principal underwriter. The size and nature of the management fee is explained, including performance fees, if any. You may also find stockholdings, remuneration, and affiliations of management personnel.

Custodian. All funds have custodial banks which hold the assets of the fund—cash and stocks—and usually handle the administration of shareholders' accounts.

Special services. These include reinvestment privileges, accumulation and withdrawal plans, and Keogh plans.

Allocation of brokerage. This section usually states that the primary consideration is prompt execution of orders at the most favorable price. Many funds, however, have links with brokerage firms. In these cases, the tie will be revealed and the percentage of brokerage commissions going to the affiliate noted.

Litigation. The details of any legal actions against the fund are given.

Determination of net asset value. This explains how the fund computes per share value.

How to buy shares. In the case of load funds this section deals primarily with load charges and their breakpoints. If an investor agrees to invest a large enough sum over a period of time to qualify for the reduced sales charges a "Letter of intent" may be obtained.

With no-loads, this section primarily explained how to remit your money, and how to indicate if you want distributions reinvested.

How to redeem shares. The mechanics of

selling shares back to the fund are detailed. If there is a redemption fee it may be noted in this section. Nowadays, many no-load funds require an authorized signature before the fund will redeem your shares. The purpose is to safeguard you from fraudulent redemptions. If the fund requires this, it will be noted.

Tax information. The fund's policy and tax status respecting dividends and capital gain is described. Most funds distribute virtually all their net income and realized capital gains in order to qualify as a regulated investment company under the Internal Revenue code. This means the fund acts as a conduit so that any such distributions will be taxable to the shareholder only.

Financial statements. At least three financial statements are included in the prospectus.

Per share income and capital changes. Included in this chart are the facts needed to compute performance. In most cases, though, it is easier to determine performance by examing the "mountain," the pictorial growth chart most established funds display in the prospectus.

Statement of assets and liabilities. This is the balance sheet.

Statement of investments. This shows the fund's portfolio and should be examined closely by the investor. By noting the types of stocks held, the investor can check the fund's objective. If it is a long-term growth fund, the stocks should be solid companies. With performance funds expect to see small, unseasoned stocks in the portfolio.

Cost data is also shown here. Check to see whether the portfolio manager has selected a high or low percentage of winners. Cash position, an important way to determine the fund's market outlook, is also shown.

GLOSSARY

ACCUMULATION PLAN

An arrangement by which an investor can purchase mutual fund shares periodically in large or small amounts, usually with provisions for the reinvestment of income dividends and the acceptance of capital gains distributions in additional shares. Plans are of two types, voluntary and contractual.

ADVISER OR INVESTMENT ADVISER

The organization which is employed by the fund's management to give professional advice and to supervise and administer its assets.

ASKED PRICE

The asked price of a fund share refers to the net asset value per share plus sales charge, if any.

BID PRICE

The bid price of a fund share is the net asset value per share.

BLUE CHIP

The common stock of a large, well-known corporation with a relatively stable record of earnings and dividend payments over a period of many years.

BOND

A security representing debt—a loan from the bondholder to the corporation.

BOND FUND

A mutual fund whose portfolio consists primarily of bonds. The emphasis is normally on income rather than growth.

BOOKSHARES

A modern share-recording system which eliminates the need for mutual fund share certificates but gives the fund shareowner a record of his holdings. Also called uncertificated shares.

BREAKPOINT

Dollar-value level of a purchase of mutual fund shares at the precise point where the percentage of the sales charge decreases. A typical sales charge schedule includes five or six breakpoints.

BROKER

A person in the business of effecting securities transactions for others. He receives a commission for his services. Closed-end investment company shares are usually bought and sold through brokers.

CALL

An option contract that gives the holder the right to purchase a particular security from another party at a pre-specified price during the term of the option.

CAPITAL GAINS

Long-term profits which are realized from the sale of securities held for more than one year, whereas short-term profits refer to such sales when the security is held one year or less.

CAPITAL GAINS DISTRIBUTION

Payments to mutual fund shareholders of gains realized on the sale of the fund's portfolio securities. These amounts usually are paid once a year. Many funds offer their shareholders a choice of accepting these dividends in cash or in fund shares of equal value.

CAPITAL GROWTH

An increase in market value of securities. This is a long-term objective of many investors and investment companies.

CASH EQUIVALENT

Includes receivables, U.S. Government securities, short-term commercial paper and short-term municipal and corporate bonds and notes.

CASH POSITION

Term denoting cash plus cash equivalent minus current liabilities.

CLOSED-END INVESTMENT COMPANY

Closed-end companies issue only a limited number of shares and do not redeem them; their shares are traded in the securities market as operating business corporations, with supply and demand determining the price. Also called "Publicly Traded" funds.

CLOSED-UP FUND

An open-end mutual fund which has discontinued the sale of its shares to the general public, but still will accept redemptions.

COMMON STOCK

A security representing ownership of a corporation's assets. The payment of common stock dividends and assets follows payments on bonds, debentures and preferred stocks. Voting rights are normally accorded holders of common stock.

COMMON STOCK FUND

A mutual fund whose portfolio consists primarily of common stocks. The emphasis of such funds is generally on growth.

CONTRACTUAL PLAN

An accumulation plan under which the total intended investment is stated, with a specified payment period and provision for regular monthly or quarterly investments. A substantial portion of the total sales charge is deducted from the first year's payments.

CUSTODIAN

The organization—a bank or trust company—which holds in custody and safekeeping the securities and other assets of a mutual fund.

DEALER

A person or firm who regularly buys and sells securities for others. Mutual fund shares are usually purchased through dealers.

DEBENTURE

A bond secured only by the general credit of the corporation.

DIRECT PURCHASE FUND

A no-load or low-load mutual fund. Investors purchase shares directly from the fund, rather than through an investment dealer or broker.

DISTRIBUTIONS

Dividends paid from net investment income and payments made from realized capital gains.

DISTRIBUTOR

The principal underwriter—either a person or company—that purchases open-end investment company shares directly from the issuer for re-sale to others.

DIVERSIFICATION

The mutual fund policy of spreading investments among a number of different securities to reduce the risk inherent in investing. Diversification may be among types of securities, different companies, different industries or geographical locations.

DIVERSIFIED INVESTMENT COMPANY

To be so classified, the Investment Company Act requires that 75 percent of a fund's assets be allocated so that not more than 5 percent of its total assets are invested in one company. In addition, it can hold no more than 10 percent of the outstanding voting securities of another company.

DIVIDEND

A payment from income on a share of common or preferred stock.

DOLLAR-COST AVERAGING

A policy of investing equal amounts of money at regular intervals regardless of whether the stock market is moving upward or downward. This reduces average share costs to the investor who acquires more shares in periods of lower securities prices and fewer shares in periods of higher prices.

EXCHANGE FUND

An investment company organized to permit persons holding individual securities with large unrealized capital appreciation to exchange these securities, without payment of capital gains tax, for fund shares to achieve diversification and to obtain professional investment management.

EXCHANGE PRIVILEGE

The right to exchange the shares of one open-end fund for those of another under the same sponsorship at nominal cost or at a reduced sales charge. This is considered a sale and new purchase for tax purposes. (Same as conversion privilege.)

EXPENSE RATIO

The proportion that annual operating costs—excluding income taxes and interest paid—bear to average net assets for the year.

FAIR VALUE

Under the Investment Company Act, value determined in good faith by the board of directors for those securities and assets for which there is no market quotation readily available.

FIDUCIARY

An individual who is granted legal rights and powers to be exercised for the benefit of another.

FORWARD PRICING

The policy by which mutual fund shares are priced for sale or redemption at the price next computed after the receipt of an order. Pricing is usually done once a day at the close of the NYSE.

FULLY MANAGED FUND

While this term can be applied to most investment companies, it is sometimes used in a more restricted context to describe a fund lacking any restrictions on its securities portfolio or the extent of cash and equivalents it may hold.

GROWTH FUND

A mutual fund with growth of capital a primary objective to be obtained principally

through investments in common stocks with growth potential.

GROWTH-INCOME FUND

A mutual fund with the objective of providing both income and long-term growth.

HEDGE

To offset. One attempts to "hedge" against inflation by purchasing securities whose values should respond to inflationary developments. Securities having these qualities are "inflation hedges."

HEDGE FUND

A mutual fund or investment company which regularly "hedges" its market commitments by holding securities it believes are likely to increase in value and "shorting" other securities it believes are likely to decrease in value.

INCENTIVE COMPENSATION

A fee based on management performance in relation to specified market indexes. It is paid to the fund's adviser.

INCOME FUND

A mutual fund investing in stocks and bonds paying high dividends and interest; current income is the primary objective.

INVESTMENT COMPANY

Generic term including mutual funds and other types of companies principally engaged in the business of investing the funds of their shareholders.

INVESTMENT INCOME DIVIDENDS

Payments to mutual fund shareholders of dividends and interest earned on portfolio securities after deduction of operating expenses. These usually are made quarterly.

INVESTMENT OBJECTIVE

The specific goal, such as long-term capital growth, or current income, which the investor or mutual fund pursues.

LEGAL LIST

A list published by a state government that sets standards or specifically enumerates those securities that are proper investments for trust funds.

LETTER OF INTENTION

A pledge to purchase a sufficient amount of shares of a load fund within a limited period (usually 13 months) to qualify for the reduced selling charge that would apply to a comparable lump-sum purchase.

LEVERAGE

The effect of the use of borrowed money or other senior securities, magnifying the changes in the assets or earnings available for junior issues.

LIQUID

Easily convertible into cash or exchangeable for other values.

LIQUID ASSET FUND

A money market or cash management fund.

MANAGEMENT FEE

The amount paid to the investment adviser for its services.

MONEY MARKET FUND

Mutual funds investing in short term money market instruments—banker certificates of deposit (CDs), bankers acceptances, commercial paper and Government securities.

MUTUAL FUND

An open-end investment company which combines the money of many people whose investment goals are similar and invests this money in a wide variety of securities.

NET ASSET VALUE PER SHARE

The market worth of an investment company's total resources—securities, cash and any accrued earnings—after deduction of liabilities divided by the number of shares outstanding.

NET REALIZED CAPITAL GAIN PER SHARE

The amount of capital gains realized on the sale of portfolio securities of a fund during an accounting period after deducting losses realized, divided by the number of shares outstanding.

OFFERING PRICE

The asked price.

OPEN-END INVESTMENT COMPANY

The more formal name for a mutual fund. The words open-end indicate that it continuously offers new shares to investors and redeems them on demand.

PAYROLL DEDUCTION PLAN

An arrangement whereby an employee may accumulate shares in a mutual fund by authorizing his employer to deduct and transfer to a fund a specified amount from his salary at stated times.

PERIODIC PAYMENT PLAN

An accumulation plan.

PROSPECTUS

The official booklet which describes a mutual fund and offers its shares for sale. It

contains information as required by the Securities and Exchange Commission on such subjects as the fund's investment objectives and policies, services, investment restrictions, officers and directors, how shares can be bought and redeemed, its charges and its financial statements.

PUBLICLY TRADED FUND

A closed-end investment company.

PUT

An option contract that gives the holder the right to sell a particular security to another party at a pre-specified price during the term of the option.

QUALIFIED RETIREMENT PLAN

A private retirement plan that meets the rules and regulations of the Internal Revenue Service. Contributions to a qualified retirement plan are in almost all cases tax deductible and earnings on such contributions are always tax sheltered until retirement.

REDEMPTION PRICE

The amount per share the mutual fund shareholder receives when he cashes in his shares (also known as "liquidating price" or "bid price"). The value of the shares depends on the market value of the company's portfolio securities at the time.

SALES CHARGE

The amount charged in connection with public distribution of fund shares. It is added to the net asset value per share in computing the offering price and is paid to the dealer and underwriter.

SPECIALTY FUND

A mutual fund specializing in the securities of certain industries, special types of securities, or in regional investments.

SPLIT FUNDING

A program which combines the purchase of mutual fund shares with the purchase of life insurance contracts or other products.

TURNOVER RATIO

The extent to which an investment company's portfolio is turned over during the course of a year. For a closed-end company, total purchases and sales of securities (other than U.S. Government obligations and short-term notes) are divided by two and then divided by average assets. For a mutual fund, a rough calculation can be made by dividing the lesser of portfolio purchases or sales (to eliminate the effects of net sales or redemptions of fund shares) by average assets.

UNCERTIFICATED SHARES

Ownership of fund shares credited to a shareholder's account without the issuance of stock certificates.

UNDERWRITER
OR PRINCIPAL UNDERWRITER

The organization which acts as chief distributor of a mutual fund's shares; it is often the same as or affiliated with the adviser.

UNREALIZED APPRECIATION
OR DEPRECIATION

The amount by which the market value of portfolio holdings on a given date exceeds or falls short of their cost.

VARIABLE ANNUITY

An insurance annuity contract under which the dollar payments received are not fixed but fluctuate more or less in line with average common stock prices.

VOLUNTARY PLAN

An accumulation plan without any stated duration or specific requirements other than a specified minimum investment at one time. Sales charges are applied to each purchase as it is made.

WITHDRAWAL PLAN

An arrangement many open-end companies have which enables investors to receive fixed payments--usually monthly or quarterly. The actual payout is to be determined by the investor.

YIELD

Income received from investments, usually expressed as a percentage of market price; also referred to as return.

FUND NAME CHANGES

Many mutual funds change their names each year, usually as a result of mergers, takeovers or changes in objective. The following changes have taken place since the 1979 edition of this book.

Old Name	New Name
American Dualvest	ADV Fund
Allstate Enterprises Stock Fund	W.L. Morgan Growth
American General Capital Growth	American General Enterprise
American General Income	American General Enterprise
American General Total Return	Fund of America
Berkshire Capital	Mass. Financial Development
Bondstock Corp.	Security Equity
Centennial Capital Special	Oppenheimer Directors
Country Capital Investment	Country Capital Growth
Edie Special Growth	Price New Horizons
Equity Growth Fund America	American General Enterprise
Fidelity Capital	Fidelity Trend
First Mulitfund of America	Oppenheimer Special
Freedom Fund	Keystone K-1
Impact Fund	Commerce Income Shares
Income Tr. US Gov. Guar. Sec.	Kemper Fund Gov. Guar. Sec.
Independence Fund	Keystone K-2
Johnston Mutual Fund	Johnston Capital Appreciation
Mass. Fund for Income	Keystone B-2
Mass. Fund for Tax Exempt Income	Keystone Tax-Free Fund
Nassau Fund	Windsor Fund
Oceanographic & Growth	Steadman Oceanographic Fund
Polaris Fund	Keystone International
Putnam Equities	Putnam International Equities
Southwestern Investors Growth	Southwestern Investors Income
Trinwall Bond	Putnam Income
Twentieth Century Income	Twentieth Century Select
United Science	United Science & Energy
Wall St. Growth	Wall Street Fund

SPLITS

American Birthright Trust	11/29/79	18% stock div.
Investment Co. America	3/23/79	2 for 1
W.L. Morgan Growth	2/2/79	3 for 2
Nicholas Fund	6/12/79	2 for 1
Tax Managed Fund Utility Sh	11/29/79	20% stock div.
Templeton Growth	3/2/79	3 for 1
Tudor Hedge	6/29/79	3 for 1

THE DIRECTORY OF MUTUAL FUNDS
Introduction to tables

Explanation of Directory Terms

The following pages contain pertinent information on each of 514 mutual funds. A brief explanation of the data on these pages appears below:

LEFT HAND PAGES

Mutual Fund. Gives the name of the fund and its address, should you wish to write for the fund's latest prospectus. Annual Performance—critical in evaluating a fund—is traced for ten years. Our method for calculating fund performance, as explained elsewhere, is to add the year's income and capital gains distributions to the fund's closing N.A.V. and to divide the result by the previous year's closing N.A.V. Then subtract one.

Ranking system. The small numbers above each performance figure denote how the fund ranked each year compared to other funds. The numbers are deciles ranging from one to ten. A fund in the top ten percent one year will have a small "1" to the right and slightly above its performance figure. Funds with deciles "1" to "5" are above average; funds with deciles "6" to "10" are below average. Funds in the bottom ten percent would all, naturally, have a "10" rank.

What $10,000 Grew To does not include sales charges and income taxes. It summarizes the performance of funds for the last five and the last ten years. The end result figure can be converted to a percent increase by simply subtracting "one" from the first digit on the left and placing a decimal point to the left of the tens digit (the second digit from the right). For example, if $10,000 grew to $13,490, that's a 34.9% increase. If $10,000 grew to $23,490, it would be a 134.9% increase. If the end result is less than $10,000, the fund declined during the period. In that case subtract the end result figure from $10,000 and convert to a percentage by moving the decimal point two places to the left. E.g., if the end result is $9,000 the fund lost $10%. What "$10,000 Grew To" data is also ranked by deciles exactly as the annual data is ranked. The 1980 Almanac has five-year performance summaries for 413 funds and ten-year performance summaries for 314 funds.

RIGHT HAND PAGES

Year Organized and Objective. The funds' objectives represent the judgement of the **Almanac** based on prospectuses, reports and performance, and may or may not coincide with the objectives stated by the funds themselves.

Maximum Sales Charge. Shows the fund's sales charge to the first breakpoint. The levels for larger purchases can be obtained from the fund's prospectus. "None" indicates the fund is a no-load. Some fund's shares are "not offered" and in that event may occasionally be purchased over-the-counter (noted as "OTC"). The sellers in this situation may receive more by selling OTC than by presenting their shares to the fund for redemption.

Minimum Investment. Shown in dollars or shares for initial and subsequent purchases. Some funds, principally load funds, have different minimums for accumulation plans.

Total Assets. Shown in millions for two years. If a fund's assets have grown at a faster rate than its per share value, the fund has had net sales. If the asset growth was less than the per share growth, the fund is in net redemptions.

N.A.V. Net Asset Value per share at year end 1978 and 1979.

Distributions and Yield. Income and capital gains distributions paid in cash are shown for the year. (Stock dividends are omitted.) Yield is based on the year-end offering price (N.A.V. plus the sales charge) and dividends declared from investment income in the latest year. An adjustment is made for capital gains by adding them back ito the offering price.

Plans. If the fund has a withdrawal plan or Keogh plan it is shown in this column. Other plans may be available; check the prospectus.

The data contained herein has been obtained from company reports, financial reporting services, periodicals, and other sources believed to be reliable. Although carefully verified, data and compilations are not guaranteed and should not be relied upon in the purchase of fund shares. Any reader desiring information about a particular fund should examine the fund's Prospectus. This material does not take into account any tax consequences and is not to be construed

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Able Associates Fund 174 Birch Drive Manhasset Hills, N.Y. 11040	—	—	−2.9[9]	−24.5[7]	−40.7[10]	25.7[7]	68.4[1]	7.2[2]	6.9[5]	79.1[1]	43,446[1]	—
Acorn Fund 120 S. LaSalle St. Chicago, Illinois 60603	—	31.2[4]	8.5[6]	−22.0[6]	−27.3[7]	30.5[5]	64.4[1]	17.9[1]	16.7[2]	46.8[1]	43,335[1]	—
ADV Fund 30 Wall St. New York, N.Y. 10005	—	—	—	—	—	—	—	—	—	—	—	—
Aetna Income Shares 151 Farmington Avenue Hartford, Conn. 06115	—	—	—	—	−11.0[2]	18.9[8]	20.1[7]	3.9[4]	2.2[7]	2.1[9]	15,482[9]	—
Affiliated Fund 63 Wall Street New York, N.Y. 10005	−2.1[3]	−8.7[9]	−12.1[8]	−5.3[1]	−15.2[3]	39.5[2]	33.9[2]	−6.6[9]	3.5[7]	28.3[3]	23,167[4]	23,146[2]
Afuture Fund Front & Lemm Sts. Media, Pa. 19063	−26.8[8]	67.5[1]	19.2[2]	−31.0[8]	−42.0[10]	63.7[1]	19.3[7]	3.5[4]	19.9[2]	39.5[2]	33,807[2]	19,774[3]
ACE Fund 155 Bovet Road San Mateo, Calif. 94402	−4.1[5]	27.6[2]	15.9[3]	−22.4[5]	−17.1[1]	13.2[9]	37.3[1]	10.2[2]	−2.9[10]	0.2[9]	16,664[9]	15,204[7]
Alpha Fund 2 Piedmont Ctr. NE Atlanta, Ga. 30305	−9.0[6]	28.1[2]	27.4[1]	−31.5[8]	−27.7[7]	22.5[8]	22.7[5]	−4.2[8]	11.4[1]	23.4[5]	19,795[6]	14,559[7]
Alpha Income Fund 2 Piedmont Ctr. NE Atlanta, Ga. 30305	—	12.1[8]	14.8[1]	−14.4[3]	−17.6[4]	15.4[5]	16.5[8]	5.5[1]	2.3[8]	−3.4[10]	13,989[10]	—
Alpha Tax Exempt Bond Fund 2 Piedmont Ctr. NE Atlanta, Ga. 30305	—	—	—	—	—	—	—	—	−4.6[10]	−3.4[10]	—	—
AMCAP Fund 333 So. Hope St. Los Angeles, Cal. 90071	−1.9[4]	18.8[4]	13.2[3]	−32.3[9]	−27.8[7]	52.0[1]	30.2[3]	16.0[1]	21.9[1]	51.3[1]	42,341[1]	27,303[1]
American Balanced Fund 2 Embarcadero Ctr. San Francisco, Calif. 94111	4.2[2]	12.2[8]	10.4[5]	−13.1[1]	−15.2[3]	24.6[7]	25.4[4]	0.6[5]	6.1[5]	7.6[8]	17,944[8]	17,068[5]
American Birthright Trust 247 Royal Palm Way Palm Beach, Florida 33480	−12.0[7]	9.1[9]	4.7[4]	0.1[1]	0.5[1]	3.0[10]	20.9[6]	−1.8[7]	0.5[9]	33.0[2]	16,329[9]	16,513[6]
American Fund of Gov't Securities P.O. Box 9650 San Francisco, Calif. 94120	—	—	—	—	6.9[1]	7.1[10]	13.3[9]	1.0[3]	1.5[4]	4.6[8]	13,012[10]	—
American General Capital Bond 2777 Allen Parkway Houston, Texas 77019	—	—	8.3[6]	−3.1[1]	−9.1[2]	20.1[8]	21.8[6]	6.4[3]	1.0[9]	−1.5[10]	15,485[8]	—
American General Enterprise Fd 2777 Allen Parkway Houston, Texas 77019	−26.0[9]	23.5[3]	6.4[7]	−20.5[5]	−30.5[8]	33.6[4]	14.8[9]	−6.8[9]	21.0[1]	50.4[1]	26,014[3]	13,977[8]

as a recommendation of any fund mentioned. The investment results indicated may not be reflective of past investor experience and are not, in or of themselves, predictive of future performance. This material does not purport to comply with the Statement of Policy of the Securities and Exchange Commission and may not be used by any issuer, underwriter, dealer or any of their representatives or employees to promote the sale of fund shares.

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1971	Performance	None	1,000	No min.	1.2	2.0	10.38	18.59	—	—	0.0	—	X
1970	Performance	None	1,000	200	41.0	79.3	18.73	25.70	.44	1.33	1.6	X	X
1966	Growth/Income	None	250	50	—	13.5	—	12.35	—	—	—	X	X
1973	Income	not offered	200	15	32.4	37.3	12.06	11.20	1.114	—	9.9	X	X
1934	Growth/Income	7.25	250	No min.	1361.3	1540.0	6.97	8.05	.45	.44	4.9	X	X
1968	Performance	None	500	30	21.9	24.5	11.93	16.40	.145	.102	0.9	X	X
1969	Growth	2.0	25	25	2.2	3.8	4.29	3.95	.35	—	8.7	X	—
1968	Performance	None	200	50	13.7	13.7	11.66	14.03	.36	—	2.6	X	X
1977	Income	None	1,000	50	7.0	4.8	7.08	6.25	.58	—	9.3	X	—
1970	Income	None	200	50	7.0	2.4	9.13	8.27	.544	—	6.6	X	X
1967	Growth	8.5	1,000	50	64.1	110.7	7.80	11.64	.16	—	1.3	X	X
1932	Balanced	8.5	500	50	110.5	99.8	8.04	8.18	.47	—	5.3	X	X
1968	Growth	8.5	1,000	25	41.8	52.1	8.18	10.88	—	—	0.0	X	X
1973	Income	1.75	1,000	50	15.9	14.2	22.62	21.79	1.86	—	8.4	X	X
1964	Income	8.5	500	50	122.6	107.8	8.22	7.35	.75	—	9.3	X	X
1954	Growth/Income	8.5	500	50	153.2	452.0	5.97	8.83	.15	—	1.6	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
American General Growth Fd 2777 Allen Parkway Houston, Tex. 77019	—10.0[7]	26.4[2]	24.1[1]	—18.7[5]	—25.9[7]	14.8[5]	33.2[2]	3.2[4]	32.2[1]	49.8[1]	31,252[2]	26,579[1]
American General High Yield Inv. 2777 Allen Parkway Houston, Tex. 77019	—	—	—	—	—	—	—	—	—	2.5[9]	—	—
American Gen. Municipal Bond Fd 2777 Allen Parkway Houston, Texas 77019	—	—	—	—	—	—	—	6.9[2]	—3.3[10]	—2.7[10]	—	—
American General Venture 2777 Allen Parkway Houston, Texas 77019	—	61.1[1]	29.8[1]	—38.8[10]	—40.9[10]	86.8[1]	25.3[4]	25.9[1]	25.3[1]	44.2[1]	53,244[1]	—
American Growth Fund 650 17th St. Denver, Colo. 80202	0.6[2]	12.0[7]	8.1[5]	—9.5[2]	—25.0[6]	35.3[1]	29.2[3]	11.3[2]	7.5[5]	51.7[1]	31,728[2]	27,795[1*]
Am. Insurance & Industrial 4333 Edgewood Rd. N.E. Cedar Rapids, Iowa 52406	—5.7[5]	45.2[1]	44.9[1]	—25.6[7]	—24.5[6]	18.1[5]	34.1[2]	5.1[7]	8.1[5]	23.1[5]	22,150[4]	24,685[2]
American Investors Fund 88 Field Point Rd. Greenwich, Ct. 06830	—20.3[9]	4.3[10]	10.7[4]	—15.3[7]	—29.7[8]	17.9[5]	34.8[2]	5.1[7]	1.6[8]	63.6[1]	27,763[1]	15,212[7]
American Investors Income Fund 88 Field Point Rd. Greenwich, Ct. 06830	—	—	—	—	—	—	—	10.8[2]	3.2[7]	9.7[8]	—	—
American Leaders Fund 421 Seventh Ave. Pittsburgh, Pa. 15219	—5.2[5]	12.2[8]	8.4[6]	—12.5[7]	—23.7[5]	36.6[1]	19.5[7]	—5.2[9]	2.3[7]	14.4[7]	18,111[7]	13,941[8]
American Mutual Fund 333 So. Hope St. Los Angeles, Calif. 90071	7.5[1]	13.2[7]	10.6[3]	—10.4[2]	—15.5[3]	34.5[4]	33.3[2]	1.6[9]	12.1[1]	20.5[5]	24,606[3]	25,074[1]
American National Bond Two Moody Plaza Galveston, Texas 77550	—	—	—	—	—	—	—	—	—	3.7[9]	—	—
Am. National Growth Fund Two Moody Plaza Galveston, Texas 77550	—1.4[4]	27.6[2]	2.6[9]	—36.9[9]	—16.2[3]	38.1[3]	37.7[1]	13.2[1]	17.4[3]	28.8[1]	32,550[2]	2,218[2]
Am. National Income Fund Two Moody Plaza Galveston, Texas 77550	—	13.9[7]	3.4[8]	—11.5[2]	—3.8[1]	32.7[4]	33.6[2]	7.1[2]	8.2[4]	24.1[4]	25,496[1]	—
Anchor Growth Fund 333 So. Hope St. Los Angeles, Cal. 90071	—13.5[7]	19.7[4]	0.7[9]	—32.7[9]	—27.0[7]	31.1[5]	17.7[8]	—7.0[9]	9.1[4]	21.9[5]	19,085[7]	9,777[10]
Armstrong Associates 2400 First Int'l. Bldg. Dallas, Texas 75270	7.8[1]	12.5[8]	13.2[2]	—33.6[9]	—31.6[9]	53.0[1]	44.4[1]	—0.8[8]	29.7[1]	25.2[4]	35,589[1]	22,190[2]
Axe-Houghton Income Fund 400 Benedict Ave. Tarrytown, N.Y. 10591	—6.4[6]	16.0[6]	6.9[7]	—15.5[8]	—3.9[1]	17.5[6]	21.9[6]	4.8[7]	0.6[9]	2.0[9]	15,403[3]	14,518[6]
Axe-Houghton Fund B 400 Benedict Ave. Tarrytown, N.Y. 10591	—1.3[4]	17.4[5]	8.1[6]	—6.9[7]	—8.1[2]	21.2[6]	28.0[3]	1.6[9]	4.1[7]	9.7[8]	18,000[6]	19,290[4]
Axe-Houghton Stock Fund 400 Benedict Ave. Tarrytown, N.Y. 10591	—0.8[4]	14.1[7]	11.0[4]	—12.7[3]	—9.5[2]	21.3[6]	19.9[7]	—11.2[10]	10.0[4]	23.5[5]	17,545[6]	17,369[5]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1964	Growth	None	25	50	7.6	11.3	26.22	32.53	.245	6.495	0.6	X	—
1978	Income	6.75	500	50	103.6	205.8	11.54	10.56	1.21	.055	10.6	X	X
1976	Income	4.75	500	50	25.9	23.6	22.90	20.89	1.39	—	6.3	X	—
1970	Performance	8.5	500	50	11.3	20.6	14.91	17.75	.75	3.00	3.3	—	—
1958	Growth	7.25	No min.	No min.	15.4	21.9	6.13	8.81	.35	.14	3.6	X	X
1965	Growth	8.5	10	10	11.8	13.9	4.45	4.93	.316	.231	5.6	X	X
1957	Performance	None	400	20	106.3	165.6	5.63	9.12	.09	—	1.0	X	X
1976	Income	None	400	20	8.7	11.5	11.22	11.62	1.13	.16	9.6	X	X
1969	Growth/Income	1.5	250	25	14.8	50.7	7.57	8.04	.44	.181	5.0	--	X
1949	Growth/Income	8.5	250	50	329.7	359.4	9.82	10.89	.52	.42	4.2	X	X
1978	Income	5.0	1,000	20	3.3	4.0	14.91	14.18	1.288	—	8.6	X	X
1953	Performance	8.5	20	20	26.1	36.5	3.19	3.72	.142	.247	3.3	X	X
1970	Income	8.5	100	20	6.5	9.2	12.78	13.97	.861	1.025	5.3	X	X
1954	Growth	7.25	250	50	149.9	141.1	6.76	8.02	.22	—	2.5	X	X
1968	Growth	None	500	50	4.2	5.5	6.62	7.34	.35	.60	4.4	X	X
1938	Income	8.0	No min.	No min.	44.3	38.4	4.58	4.30	.37	—	7.9	X	X
1938	Balanced	8.0	No min.	No min.	187.0	169.7	7.56	7.72	.45	.12	5.3	X	X
1932	Growth	8.5	No min.	No min.	64.0	74.2	6.00	7.21	.20	—	2.5	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
David L. Babson Income Trust 2440 Pershing Road Kansas City, Mo. 64108	—15.5[5]	6.9[9]	8.8[6]	—2.9[7]	1.6[7]	8.7[10]	11.2[10]	2.7[4]	0.7[9]	2.4[8]	12,801[10]	12,411[3]
David L. Babson Inv. Fund 2440 Pershing Rd. Kansas City, Mo. 64108	—0.4[4]	15.1[5]	23.1[1]	—10.0[2]	—26.3[7]	21.9[6]	14.4[9]	-7.3[9]	8.7[4]	17.0[6]	16,440[9]	15,390[7]
Bank Stock Fund 6 South Tejon Ave. Colorado Springs, Colo. 80901	1.8[1]	7.3[9]	8.8[6]	—12.4[1]	—21.6[5]	16.3[9]	18.3[7]	—2.2[7]	11.5[1]	8.5[8]	16,278[9]	13,286[8]
Beacon Growth Fund 1260 Park Avenue Bridgeport, Conn. 06604	—11.7[7]	15.3[6]	4.4[8]	—32.3[9]	—17.9[4]	23.2[7]	11.5[10]	—3.3[7]	2.0[8]	16.4[5]	15,936[9]	9,317[10]
Beacon Hill Mutual Fund 75 Federal St. Boston, Mass. 02110	3.3[2]	22.6[1]	7.0[7]	—32.5[9]	—14.9[3]	27.1[5]	11.3[10]	0.8[5]	8.4[4]	8.4[8]	16,756[8]	13,043[10]
Beacon Income 1260 Park Ave. Bridgeport, Conn. 06604	—24.6[9]	—7.4[10]	—9.7[10]	—47.6[10]	—23.1[5]	27.0[6]	25.5[4]	—8.8[10]	-6.2[10]	—15.5[10]	11,521[10]	2,927[10]
Bear Fund, The 111 Broadway New York, N.Y. 10006	—	—	—	—	—	—	—	—	—32.7[10]	—13.9[10]	—	—
BLC Growth Fund 711 High Street Des Moines, Iowa 50307	—13.1[7]	23.0[1]	21.2[1]	—20.4[3]	—30.5[8]	34.9[3]	21.3[5]	4.1[4]	8.1[5]	26.6[4]	23,313[4]	16,708[6]
BLC Income Fund 711 High St. Des Moines, Iowa 50307	13.5[1]	13.3[1]	12.9[4]	—17.0[4]	—13.9[3]	48.9[1]	34.1[2]	—1.2[7]	3.9[7]	14.2	23,408[4]	24,286[2]
Bond Fund of America 333 So. Hope St. Los Angeles, Calif. 90071	—	—	—	—	—	12.2[10]	17.6[3]	5.0[3]	2.0[8]	3.2[9]	14,584[10]	—
Boston Foundation Fund 421 Seventh Ave. Pittsburgh, Pa. 15219	4.3[2]	13.1[7]	8.9[6]	—15.6[4]	—19.8[4]	26.3[6]	22.0[3]	1.8[5]	1.5[5]	13.8[7]	18,119[3]	15,759[6]
Boston Mutual Fund 120 Royall St. Canton, Mass. 02021	—4.4[5]	18.4[4]	9.9[5]	—21.1[5]	—34.1[9]	40.4[2]	14.7[8]	—11.2[10]	10.9[1]	16.1[5]	18,412[7]	11,909[9]
Bridges Investment Fund 8401 West Dodge Rd. Omaha, Neb. 68114	—6.6[6]	17.6[5]	5.7[7]	—21.7[6]	—27.3[7]	37.4[1]	23.4[3]	—3.9[8]	4.0[7]	14.4[7]	19,368[5]	12,799[9]
Broad Street Investing Corp. One Bankers Trust Plaza New York, N.Y. 10006	4.3[2]	19.7[4]	16.2[3]	—13.2[1]	—22.3[5]	35.9[1]	27.7[4]	—4.3[8]	5.5[6]	24.1[4]	21,744[5]	21,275[3]
Brown Fund 155 Bovet Road San Mateo, Cal. 94402	—10.7[7]	17.2[5]	20.0[2]	—32.9[9]	—26.5[7]	41.5[2]	22.9[5]	—8.4[10]	10.5[4]	27.4[4]	22,735[4]	13,889[8]
Bull Fund, The 111 Broadway New York, N.Y. 10006	—	—	—	—	--	—	—	—	—14.7[10]	26.1[4]	—	—
Bullock Fund One Wall Street New York, N.Y. 10005	—1.0[4]	17.1[5]	10.7[5]	—17.9[4]	—21.2[5]	35.9[1]	27.8[1]	—5.3[7]	8.5[4]	23.8[4]	22,092[5]	18,342[4]
Bullock Tax Free Shares One Wall Street New York, N.Y. 10005	—	—	—	—	—	—	—	—	—4.4[10]	2.0[10]	—	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1944	Income	None	500	50	33.0	30.9	1.64	1.54	.14	—	9.1	X	X
1959	Growth/Income	None	500	50	210.9	227.5	9.57	10.85	.35	—	3.2	X	X
1965	Growth	7.5	100	25	0.2	0.2	3.52	3.60	.22	—	5.7	X	X
1962	Growth	None	250	No min.	9.2	8.9	9.10	10.17	.42	—	4.1	X	X
1964	Growth	None	No min.	No min.	2.2	2.0	9.48	10.14	.12	—	1.2	X	X
1969	Income	None	250	No min.	0.2	0.4	3.49	2.95	—	—	0.0	X	X
1977	Performance	None	5000	500	0.3	0.3	9.49	6.30	—	—	0.0	—	—
1969	Growth	8.5	300	50	8.6	10.6	11.71	14.48	.348	—	2.2	X	—
1969	Income	8.5	300	50	10.8	12.0	11.23	11.96	.746	.124	5.7	X	—
1974	Income	8.5	1000	50	145.0	149.4	13.60	12.75	1.29	—	9.3	X	X
1934	Balanced	8.5	25	25	27.0	26.1	8.92	9.50	.65	—	6.3	X	X
1969	Growth	8.5	200	25	3.3	4.1	7.26	8.17	.26	—	2.9	X	X
1963	Growth/Income	None	500	100	1.6	1.9	10.24	11.19	.475	.051	4.2	—	—
1929	Growth/Income	7.25	No min.	No min.	303.5	335.7	10.65	12.05	.58	.59	4.3	X	X
1951	Growth/Income	7.25	100	25	3.4	3.3	3.49	4.38	.065	—	1.4	X	X
1977	Performance	None	5000	500	0.4	0.2	10.90	13.75	—	—	0.0	—	—
1932	Growth/Income	8.5	500	25	134.3	134.3	12.21	14.04	.62	.45	3.9	X	X
1977	Income	4.75	1,000	25	16.9	18.8	12.79	11.74	.791	—	6.4	X	—

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Cambridge Appreciation Fund 747 Third Ave. New York, N.Y. 10017	—	—	26.7[1]	−31.7[8]	−39.5[10]	37.0[3]	−7.4[10]	4.4[4]	−15.3[10]	22.2[5]	13,709[10]	—
Canadian Fund One Wall St. New York, N.Y. 10005	5.0[2]	9.7[6]	24.0[1]	−1.6[1]	−21.2[5]	10.7[10]	4.5[10]	−1.7[7]	12.3[3]	28.9[3]	16,461[9]	19,750[3]
Capamerica Fund 111 Broadway New York, N.Y. 10006	−1.1[4]	11.5[5]	9.8[5]	−11.9[2]	−11.5[2]	33.6[4]	28.2[3]	9.5[2]	3.7[7]	16.8[6]	22,716[4]	21,271[3]
Capital Shares 111 Broadway New York, N.Y. 10006	−16.2[8]	16.7[5]	7.0[7]	−23.6[6]	−35.8[10]	31.2[5]	43.2[1]	6.7[3]	4.0[7]	53.7[1]	32,045[2]	16,447[6]
Cardinal Fund 155 E. Broad St. Columbus, Ohio 43215	−19.[8]	24.5[3]	6.1[7]	−40.1[10]	−21.9[5]	56.2[1]	35.5[2]	4.2[4]	13.0[3]	22.7[5]	30,578[2]	15,174[7]
Century Shares Trust 111 Devonshire St. Boston, Mass. 02109	6.8[2]	30.0[2]	19.8[2]	−12.9[3]	−30.5[6]	14.0[5]	36.3[2]	−2.1[7]	9.2[4]	20.0[5]	19,934[6]	20,070[3]
CG Fund Hartford, Conn. 06152	1.1[3]	26.1[1]	19.0[2]	−24.3[8]	−25.3[6]	35.7[1]	19.8[7]	−7.4[9]	12.0[3]	23.7[4]	20,857[5]	17,893[5]
CG Income Fund Hartford, Conn. 06152	10.2[1]	9.6[3]	6.7[7]	−8.8[7]	−6.9[1]	21.0[8]	17.8[8]	5.7[3]	0.7[9]	−0.5[10]	15,095[10]	16,517[6]
CG Municipal Bond Fund Hartford, Conn. 06152	—	—	—	—	—	—	—	—	−3.7[10]	−1.7[10]	—	—
Chancellor High Yield Fund 100 Gold St. New York, N.Y. 10038	—	—	—	—	—	—	—	—	—	—	—	—
Chancellor High Yield Munipals 100 Gold St. New York, N.Y. 10038	—	—	—	—	—	—	—	—	—	—	—	—
Chancellor Tax-Expt. Daily Income 100 Gold St. New York, N.Y. 10038	—	—	—	—	—	—	—	—	—	—	—	—
Charter Fund 2100 Republic Bank Tower Dallas, Tex. 75201	−17.0[8]	36.2[1]	36.1[1]	−13.5[3]	−27.1[7]	32.7[4]	41.6[1]	5.0[3]	30.2[1]	41.9[1]	36,450[1]	35,364[1]
Chase Frontier Capital Fund 535 Boylston St. Boston, Mass. 02116	—	30.7[2]	17.9[2]	−46.5[10]	−35.2[10]	15.1[9]	8.0[10]	2.7[4]	10.9[3]	41.1[1]	19,978[6]	—
Chase Fund of Boston 535 Boylston St. Boston, Mass. 02116	−24.8[9]	29.4[2]	5.5[7]	−31.2[8]	−36.2[10]	36.5[3]	10.5[10]	−6.0[9]	7.9[5]	24.2[4]	19,002[7]	8,562[10]
Chase Special Fund of Boston 535 Boylston St. Boston, Mass. 02116	8.8[5]	28.3[2]	0.5[9]	−41.5[10]	−33.9[9]	19.5[8]	18.6[7]	−4.2[8]	9.2[4]	48.9[1]	22,076[5]	11,976[9]
Chemical Fund 61 Broadway New York, N.Y. 10006	−6.5[6]	20.2[4]	29.3[1]	−14.0[3]	−24.0[6]	21.0[8]	8.5[10]	−8.1[7]	11.3[3]	23.8[4]	16,625[8]	15,790[8]
Colonial Fund 75 Federal St. Boston, Mass. 02110	1.9[3]	12.5[8]	9.9[5]	−8.1[2]	−19.4[4]	22.6[7]	16.1[8]	−5.8[9]	5.0[6]	17.6[5]	16,556[8]	15,450[6]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1971	Peformance	None	1,000	100	0.3	0.2	3.20	3.91	—	—	0.0	—	—
1952	Growth	8.5	500	25	19.6	23.4	7.37	8.45	.27	.78	2.7	X	X
1962	Growth/Income	None	100	25	2.8	2.8	8.14	9.24	.27	—	2.9	X	X
1959	Growth	None	100	25	25.8	33.7	6.46	9.81	.12	—	1.2	X	X
1966	Growth	8.5	100	25	11.9	13.0	8.04	9.08	.33	.456	3.2	X	X
1928	Growth	7.25	Non min.	No min.	62.3	66.3	11.20	12.15	.50	.79	3.6	X	X
1968	Growth	7.5	300	50	114.0	126.2	10.39	12.45	.40	—	3.0	X	X
1968	Income	7.5	300	50	178.8	186.3	7.70	6.97	.691	—	9.2	X	X
1976	Income	7.5	300	50	28.7	—	9.38	8.63	.59	—	6.3	X	—
1979	Income	6.75	500	100	—	52.8	—	10.82	—	—	—	X	X
1980	Income	4.5	2,500	100	—	—	—	—	—	—	—	—	—
1979	Income	None	2,500	500	—	36.3	—	.994	—	—	—	X	—
1968	Performance	8.5	25	25	16.1	23.3	13.60	17.27	.505	1.53	2.5	X	X
1968	Growth	8.5	250	25	11.3	12.8	4.21	5.84	.10	—	1.6	X	—
1958	Growth	8.5	250	25	26.7	26.2	6.31	7.56	.28	—	3.4	X	—
1969	Performance	8.5	250	25	9.0	11.2	5.85	8.60	.11	—	1.2	X	—
1938	Growth	8.5	100	25	748.7	833.3	7.35	8.60	.25	.25	2.6	X	X
1954	Growth/Income	8.5	250	25	76.0	70.2	8.90	9.93	.54	—	5.0	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Colonial Growth Shares 75 Federal St. Boston, Mass. 02110	—7.8[8]	20.8[4]	11.6[4]	—21.2[5]	—29.4[8]	21.6[8]	14.3[5]	—10.1[10]	5.8[6]	39.2[2]	18,402[7]	12,724[9]
Colonial Income Fund 75 Federal St. Boston, Mass. 02110	11.1[1]	15.5[6]	9.0[6]	0.2[1]	—9.2[2]	14.5[9]	18.8[7]	6.5[3]	1.4[8]	—0.7[10]	14,588[10]	18,564[4]
Colonial Option Income Fund 75 Federal St. Boston, Mass. 02110	—	—	—	—	—	—	—	—	6.5[5]	17.0[6]	—	—
Colonial High Yield Securities 75 Federal St. Boston, Mass. 02110	—	—	3.5[8]	—14.5[3]	—10.6[2]	16.0[9]	22.4[5]	—1.6[7]	4.7[6]	7.7[8]	15,754[5]	—
Colonial Tax Managed Trust 75 Federal St. Boston, Mass. 02110	—	—	—	—	—	—	—	—	—	1.0[9]	—	—
Columbia Growth Fund 621 S.W. Morrison St. Portland, Ore. 97205	—13.5[7]	36.3[1]	5.9[7]	—25.1[7]	—22.4[5]	41.0[2]	30.5[3]	—0.1[5]	7.7[5]	39.2[2]	27,558[3]	19,999[3]
Commerce Income Shares 711 Polk St. Houston, Texas 77002	—1.9[4]	14.1[7]	15.3[1]	—16.3[4]	—21.0[5]	23.0[7]	21.8[6]	—5.8[9]	2.9[7]	15.8[6]	16,817[6]	14,350[7]
Com. Stk Fd of State Bd & Mtg 100 N. Minnesota St. New Ulm, Minn. 56073	—4.8[5]	19.9[4]	12.4[4]	—20.1[5]	—31.8[9]	33.8[4]	21.8[6]	—11.4[10]	10.2[4]	18.5[6]	18,856[7]	13,172[8]
Companion Fund Hartford, Conn. 06152	—3.5[4]	31.5[2]	16.2[1]	—28.5[8]	—22.7[5]	34.0[4]	20.8[6]	—6.3[9]	12.5[3]	24.2[4]	21,320[5]	17,375[5]
Composite Bond & Stock 402 Spokane & East'n Bldg. Spokane, Wash 99204	10.9[1]	11.8[6]	8.0[6]	—8.9[2]	—9.9[2]	27.9[6]	23.9[5]	—2.0[7]	1.9[8]	19.5[5]	18,910[7]	20,783[3]
Composite Fund 402 Spokane & East'n Bldg. Spokane, Wash. 99204	7.2[2]	10.2[5]	4.3[8]	—26.2[7]	—10.3[2]	29.5[5]	16.9[6]	—4.5[8]	5.1[6]	23.3[5]	18,734[7]	15,282[7]
Composite Income Fund 402 Spokane & East'n Bldg. Spokane, Wash. 99204	—	—	—	—	—	—	—	4.4[4]	1.0[9]	—1.4[10]	—	—
Composite Tax Exempt 402 Spokane & East'n Bldg. Spokane, Wash. 99204	—	—	—	—	—	—	—	—	—3.3[10]	—2.6[10]	—	—
Comstock Fund 2777 Allen Parkway Houston, Texas 77019	—17.4[8]	12.5[8]	—1.1[9]	—17.1[4]	—16.8[3]	64.3[1]	34.0[2]	13.9[1]	13.7[3]	46.7[1]	41,827[1]	26,513[1]
Concord Fund 50 Congress St. Boston, Mass. 02109	—12.1[7]	—0.9[10]	5.7[7]	—22.5[6]	—29.8[8]	49.4[1]	42.4[1]	13.5[1]	1.6[8]	32.1[2]	32,404[2]	16,232[6]
Consolidated Inv. Trust 35 Congress Street Boston, Mass. 02109	—1.1[6]	12.2[8]	17.3[2]	—16.5[4]	—28.1[7]	34.7[4]	24.7[4]	—9.4[10]	5.1[6]	18.2[6]	18,905[7]	14,773[7]
Constellation Growth Fund 331 Madison Ave. New York, N.Y. 10017	—47.5[10]	2.0[10]	5.8[7]	—16.3[4]	—26.4[7]	39.8[2]	23.0[5]	—3.6[8]	21.1[1]	76.8[1]	35,490[1]	12,386[9]
Continental Mutual Inv. Fund 6631 Ironwood Dr. Scottsdale, Ariz. 85253	—9.3[6]	16.9[5]	8.4[6]	—19.9[5]	—19.7[4]	12.2[10]	10.3[10]	—8.4[10]	—8.9[10]	23.1[5]	12,713[10]	9,398[10]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1949	Growth	8.5	250	25	54.4	61.0	4.62	6.27	.16	—	2.3	X	X
1969	Income	8.5	250	25	263.3	214.7	8.06	7.25	.75	—	9.5	X	X
1977	Income	8.5	250	25	153.4	186.8	10.31	10.73	.43	.90	3.4	X	X
1971	Growth/Income	8.5	250	25	26.6	27.2	8.30	8.14	.80	—	9.0	X	X
1978	Growth/Income	8.5	250	25	20.3	51.5	12.42	13.56	—	—	0.0	X	—
1967	Performance	None	500	50	19.2	23.5	16.53	22.31	.33	.37	1.5	X	X
1949	Growth/Income	None	3,500	30	44.1	51.8	8.08	8.73	.625	—	7.2	X	X
1962	Growth	8.5	No min.	No min.	33.8	33.8	4.27	4.94	.1[illegible]	—	2.2	X	X
1969	Growth	None	100,000	1,000	70.2	83.4	10.92	13.11	.45	—	3.4	—	—
1939	Balanced	7.0	500	25	15.2	17.1	7.96	8.76	.56	.19	5.8	X	X
1949	Growth/Income	7.0	500	25	21.3	22.1	7.22	8.60	.28	—	3.2	X	X
1976	Income	7.0	500	25	5.2	4.8	10.99	9.95	.89	—	8.3	X	X
1977	Income	4.5	1,000	25	3.0	2.9	9.20	8.44	.52	—	5.9	X	—
1968	Performance	8.5	500	50	89.3	120.7	7.22	10.29	.30	—	2.7	X	X
1949	Performance	not offered	—	—	1.4	1.6	13.04	16.66	.56	—	3.4	X	—
1933	Growth/Income	OTC	—	—	43.0	43.2	9.78	11.03	.53	—	4.8	X	X
1966	Performance	None	500	50	3.6	11.8	7.33	12.96	—	—	0.0	X	X
1959	Growth/Income	None	No min.	No min.	0.6	0.7	5.62	6.92	—	—	0.0	X	—

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Contrafund 82 Devonshire St. Boston, Mass. 02109	10.6[1]	9.0[5]	16.3[3]	−9.7[2]	−13.6[3]	40.1[2]	35.8[2]	-10.1[10]	6.0[6]	25.6[4]	22,246[4]	24,333[2]
Convertible Yield Securities 1080 Dresser Tower Houston, Tex. 77002	—	—	—	—	—	—	—	—	—	15.0[7]	—	—
Copley Trust 18 Martine St. Fall River, Mass. 02724	—	—	—	—	—	—	—	−1.8[7]	1.8[6]	9.6[6]	—	—
Corporate Leaders Trust — B 10100 Santa Monica Blvd. Los Angeles, Cal. 90067	11.0[1]	14.2[7]	18.0[2]	−8.6[2]	−25.1[6]	43.0[2]	22.1[5]	−4.6[8]	−0.4[9]	18.0[6]	19,576[6]	20,046[3]
Country Capital Growth Fund 1701 Towanda Ave., Box 87 Bloomington, Ill. 61701	−10.2[7]	26.7[2]	11.4[4]	−19.7[6]	−23.3[6]	27.0[6]	14.7[7]	−5.3[9]	2.7[7]	19.7[5]	16,959[6]	14,850[7]
Decatur Income Fund 7 Penn Center Plaza Philadelphia, Pa. 19103	7.8[1]	16.4[3]	6.1[7]	−13.8[3]	−11.2[2]	33.6[4]	36.7[2]	1.3[5]	2.5[7]	24.8[4]	23,666[4]	24,117[2]
Delaware Fund 7 Penn Center Plaza Philadelphia, Pa. 19103	1.2[2]	15.4[6]	7.7[5]	−25.2[7]	−15.9[3]	36.1[3]	33.6[2]	−3.1[7]	2.4[7]	23.4[5]	22,265[4]	17,649[5]
Delchester Bond Fund 7 Penn Center Plaza Philadelphia, Pa. 19103	—	12.0[8]	7.3[7]	0.7[1]	−8.5[1]	16.1[9]	21.6[8]	5.8[3]	2.1[8]	1.8[9]	15,525[9]	—
Delta Trend Fund 7 Penn Center Plaza Philadelphia, Pa. 19103	−19.0[8]	21.4[4]	−6.0[10]	−33.9[9]	−37.7[10]	31.4[5]	29.5[3]	5.9[3]	2.7[7]	29.0[3]	23,874[4]	10,209[10]
De Vegh Mutual Fund 14 Wall Street New York, New York 10005	2.6[3]	19.5[4]	0.8[9]	−17.6[4]	−20.7[5]	34.0[4]	16.1[8]	−4.4[8]	5.2[6]	29.8[3]	20,308[6]	16,407[6]
Directors Capital Fund 1 Gulf & West'n Plaza New York, N.Y. 10023	—	31.6[1]	11.4[4]	−27.7[8]	21.1[5]	26.0[6]	14.1[9]	0.6[9]	−23.4[10]	−15.3[10]	9,384[10]	—
Diversified Fd of State Bd & M 100 N. Minnesota St. New Ulm, Minn. 56073	7.9[1]	9.0[6]	10.2[5]	−13.3[3]	−22.5[7]	39.0[2]	29.7[3]	−0.5[5]	2.7[7]	17.8[6]	21,625[5]	18,899[7]
Dividend Shares 1 Wall Street New York, N.Y. 10005	5.4[2]	12.0[8]	15.4[1]	−13.6[3]	−23.2[6]	34.4[4]	22.2[5]	−8.2[10]	4.7[6]	11.9[7]	17,664[6]	15,967[6]
DMC Tax-Free Income Trust Seven Penn Center Plaza Philadelphia, Pa. 19103	—	—	—	—	—	—	—	—	−2.8[10]	0.2[9]	—	—
Dodge & Cox Balanced Fund One Post Street San Francisco, Cal. 94104	2.4[3]	10.8[8]	11.1[4]	−9.7[2]	−18.9[4]	29.1[5]	25.0[4]	−3.3[8]	5.8[6]	13.4[7]	18,722[7]	17,284[5]
Dodge & Cox Stock Fund One Post Street San Francisco, Cal. 94104	−4.5[5]	15.6[5]	12.4[4]	−12.5[3]	−24.3[6]	38.7[3]	22.0[6]	−6.1[9]	9.1[4]	20.3[5]	20,853[5]	17,141[8]
Drexel Burnham Fund 60 Broad St. New York, N.Y. 10004	−19.4[8]	13.9[7]	0.4[9]	−35.5[9]	−15.7[3]	22.5[8]	23.8[5]	−3.9[6]	12.9[3]	22.9[5]	20,221[6]	10,135[10]
Dreyfus A Bonds Plus 767 Fifth Avenue New York, N.Y. 10022	—	—	—	—	—	—	—	0.8[5]	1.3[8]	5.4[8]	—	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1963	Growth	None	500	50	41.9	47.0	9.95	11.62	.46	.40	3.8	X	X
1977	Income	6.5	1,250	100	22.2	23.9	11.13	11.82	.98	—	7.8	X	X
1976	Growth/Income	None	1,000	No min.	1.1	1.3	1.14	1.25	—	—	0.0	X	X
1941	Growth/Income	not offered	No min.	No min.	43.1	44.1	12.01	12.03	.765	1.374	5.7	X	—
1965	Growth	7.5	100	50	39.0	41.9	11.18	12.97	.41	—	2.9	X	X
1956	Income	8.5	25	No min.	233.0	260.1	11.39	13.28	.76	.17	5.2	X	X
1937	Growth/Income	8.5	25	No min.	246.7	243.9	10.55	12.44	.58	—	4.3	X	X
1970	Income	4.5	25	No min.	35.0	30.3	8.77	8.17	.76	—	8.5	X	X
1968	Performance	8.5	25	No min.	7.7	8.5	5.14	6.50	.13	—	1.8	X	X
1950	Growth	None	250	100	53.9	56.7	30.77	38.78	1.17	—	3.0	X	X
1970	Performance	None	600	25	2.3	1.7	3.20	2.71	—	—	0.0	X	—
1964	Growth/Income	8.5	No min.	No min.	5.3	6.1	4.62	5.13	.22	.094	4.3	X	X
1932	Growth/Income	8.5	500	25	250.4	244.3	2.65	2.69	.135	.14	4.4	X	X
1976	Income	4.5	1,000	25	26.7	—	8.75	8.25	.521	—	6.0	X	—
1931	Balanced	None	250	50	15.2	16.6	21.02	22.36	1.27	.20	5.6	X	X
1964	Growth/Income	None	250	50	14.0	15.5	15.79	17.84	.72	.43	3.9	X	X
1961	Growth	None	1,000	250	35.4	36.7	10.25	12.07	.52	—	4.3	X	X
1976	Income	None	2,500	100	7.7	8.4	14.28	13.70	1.324	—	9.8	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Dreyfus Fund 767 Fifth Avenue New York, N.Y. 10022	−6.4[6]	13.8[5]	9.0[6]	−18.8[5]	−19.7[4]	31.2[5]	26.8[4]	−0.1[5]	11.1[3]	23.7[7]	22,841[4]	17,290[5]
Dreyfus Leverage Fund 767 Fifth Avenue New York, N.Y. 10022	0.6[3]	28.8[2]	12.5[4]	−15.4[4]	−26.3[7]	25.8[6]	24.9[4]	6.9[2]	10.1[4]	39.9[2]	25,873[3]	23,515[2]
Dreyfus Number Nine, Inc. 767 Fifth Avenue New York, N.Y. 10022	—	—	—	−25.6[7]	−16.5[3]	35.6[3]	39.0[1]	7.0[2]	20.0[2]	44.9[1]	35,068[2]	—
Dreyfus Special Income Fund 767 Fifth Avenue New York, N.Y. 10022	—	—	4.8[8]	−7.2[2]	−10.3[2]	20.4[5]	19.1[7]	6.0[3]	1.4[8]	15.4[7]	17,785[5]	—
Dreyfus Tax Exempt Bond Fund 767 Fifth Avenue New York, N.Y. 10022	—	—	—	—	—	—	—	7.6[2]	−2.9[10]	−1.1[10]	—	—
Dreyfus Third Century Fund 767 Fifth Avenue New York, N.Y. 10022	—	—	—	−12.5[3]	−29.3[8]	54.8[1]	23.5[5]	13.0[1]	10.3[4]	56.5[1]	37,290[1]	—
Eagle Growth Shares 110 Wall Street New York, N.Y. 10005	—	—	5.4[8]	−24.0[9]	−22.6[5]	39.1[2]	39.6[1]	9.1[2]	17.5[2]	41.1[1]	35,124[2]	—
Eaton & Howard Balanced Fd 24 Federal St. Boston, Mass. 02110	5.3[2]	11.1[4]	14.0[1]	−3.9[1]	−18.7[4]	20.7[4]	19.4[7]	−5.2[4]	4.6[5]	11.0[7]	15,725[6]	16,529[6]
Eaton & Howard Growth Fund 24 Federal St. Boston, Mass. 02110	−11.6[7]	27.5[2]	23.4[1]	−32.7[9]	−44.4[10]	32.6[4]	12.0[9]	1.9[5]	14.7[2]	34.3[2]	23,304[4]	12,129[9]
Eaton & Howard Income Fund 24 Federal St. Boston, Mass. 02110	5.0[2]	19.5[4]	9.8[5]	−2.0[1]	−10.1[2]	20.4[4]	21.9[6]	5.5[1]	0.4[7]	−0.1[9]	15,392[5]	18,852[4]
Eaton & Howard Special Fund 24 Federal St. Boston, Mass. 02110	−21.7[9]	28.3[2]	3.8[8]	−32.3[8]	−40.6[10]	26.9[5]	19.2[7]	13.0[1]	7.3[5]	45.2[1]	26,632[3]	11,168[10]
Eaton & Howard Stock Fund 24 Federal St. Boston, Mass. 02110	−1.0[4]	13.3[7]	14.2[3]	−16.6[4]	−32.2[7]	21.3[6]	15.9[6]	−6.7[6]	6.6[3]	17.1[5]	16,373[4]	11,860[5]
Edson Gould Fund 1080 Dresser Tower Houston, Tex. 77002	—	—	—	—	—	—	—	−10.8[10]	6.2[5]	32.0[3]	—	—
Elfun Tax-Exempt Income Fund 112 Prospect St. Stamford, CT 06904	—	—	—	—	—	—	—	—	—	−0.1[9]	—	—
Elfun Trusts 112 Prospect St. Stamford, Conn. 06904	−13.4[6]	22.3[3]	7.9[6]	−25.2[7]	−28.9[8]	39.3[2]	24.8[4]	−1.1[7]	13.1[3]	24.2[4]	24,152[4]	14,678[7]
Energy Fund 522 Fifth Avenue New York, N.Y. 10036	−4.5[5]	8.9[6]	11.0[5]	−6.6[1]	−18.6[4]	33.4[4]	32.2[3]	2.3[5]	6.0[6]	48.0[1]	27,956[2]	24,839[2]
Equitec Fund P.O. Box 1106 Lafayette, Cal. 94549	—	—	—	—	—	—	—	—	1.0[9]	3.9[8]	—	—
Evergreen Fund 600 Mamaroneck Ave. Harrison, N.Y. 10528	—	—	—	−26.2[7]	−21.4[5]	60.1[1]	48.9[1]	25.1[1]	38.0[1]	39.7[2]	57,261[1]	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1947	Growth	8.5	25	25	1376.7	1509.9	12.35	14.11	.58	.59	3.6	X	X
1969	Performance	8.5	500	50	246.1	311.6	15.39	19.91	.565	1.055	2.5	X	X
1972	Growth	None	500	50	14.8	35.0	6.81	9.17	.075	.625	0.8	X	X
1971	Income	None	500	50	93.6	83.6	6.80	7.25	.595	—	8.2	X	X
1976	Income	None	2,500	100	603.4	810.5	14.42	13.35	.919	—	6.9	X	X
1972	Growth	None	500	50	24.9	48.5	14.52	20.77	.30	1.65	1.3	X	X
1971	Growth	8.5	No min.	No min.	2.9	3.3	7.96	9.33	.196	1.704	1.6	X	X
1932	Balanced	7.25	No min.	No min.	84.9	79.8	7.71	7.80	.469	.29	5.4	X	X
1968	Growth	7.25	No min.	No min.	27.2	29.9	10.49	13.94	.145	—	1.0	X	X
1932	Income	7.25	No min.	No min.	29.0	24.0	5.62	5.09	.523	—	9.5	X	X
1968	Performance	7.25	No min.	No min.	14.2	16.9	7.13	10.21	.144	—	1.3	X	X
1931	Growth/Income	7.25	No min.	No min.	85.3	79.7	8.89	10.01	.40	—	3.7	X	X
1976	Growth	6.5	1,000	100	4.7	4.6	9.45	11.85	.16	.46	1.3	X	X
1977	Income	None	1,000	50	18.8	—	9.21	8.60	.595	—	7.0	X	—
1943	Growth	None	No min.	No min.	211.0	237.7	15.88	18.60	.70	.42	3.7	X	—
1952	Growth	None	100	100	183.8	275.7	13.59	18.78	.66	.70	3.2	X	X
1977	Performance	8.5	500	50	3.7	3.4	10.12	9.92	.59	—	5.4	X	X
1971	Performance	None	1,500	No min.	11.9	30.0	23.30	28.32	.04	4.18	0.1	—	—

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Evergreen Total Return 600 Mamaroneck Ave. Harrison, N.Y. 10528	—	—	—	—	—	—	—	—	—	21.1[5]	—	—
Explorer Fund P.O. Box 1100 Valley Forge, Pa. 19482	−25.7[9]	24.6[3]	21.1[1]	−25.8[7]	−35.0[10]	22.3[7]	17.1[5]	28.2[1]	20.4[1]	33.8[2]	29,576[2]	15,994[6]
Fairfield Fund 605 Third Ave. New York, N.Y. 10016	−17.1[8]	20.2[4]	5.2[8]	−28.2[8]	−25.6[8]	40.2[2]	33.4[2]	−8.4[10]	11.1[7]	28.5[7]	24,456[3]	13,695[8]
Farm Bureau Growth Fund 5400 University Ave. West Des Moines, Iowa 50265	—	—	—	—	−15.3[7]	38.6[3]	28.8[1]	2.0[5]	5.4[8]	19.1[8]	22,858[4]	—
Federated High Income Securities 421 Seventh Ave. Pittsburgh, Pa. 15219	—	—	—	—	—	—	—	—	1.2[9]	6.6[4]	—	—
Federated Option Income Fund 421 Seventh Ave. Pittsburgh, Pa. 15219	—	—	—	—	—	—	—	—	3.1[7]	12.6[7]	—	—
Federated Tax Free Income Fund 421 Seventh Ave. Pittsburgh, Pa. 15219	—	—	—	—	—	—	—	7.0[2]	−5.4[10]	−3.2[10]	—	—
Fidelity Aggressive Income 82 Devonshire St. Boston, Mass. 02109	—	—	—	—	—	—	—	—	4.0[7]	4.9[8]	—	—
Fidelity Asset Investment Trust 82 Devonshire St. Boston, Mass. 02109	—	—	—	—	—	—	—	—	—	18.5[5]	—	—
Fidelity Corporate Bond Fund 82 Devonshire St. Boston, Mass. 02109	—	7.1[7]	0.8[7]	0.8[7]	−3.2[7]	10.1[10]	16.8[3]	4.9[3]	1.4[8]	1.4[9]	13,870[10]	—
Fidelity Destiny Fund 82 Devonshire St. Boston, Mass. 02109	—	16.7[5]	15.6[1]	−22.7[5]	−19.5[4]	54.0[1]	43.6[1]	12.0[2]	21.7[1]	30.6[1]	39,303[1]	—
Fidelity Equity Income Fund 82 Devonshire St. Boston, Mass. 02109	−4.0[5]	13.2[7]	4.5[8]	−10.8[4]	−18.9[4]	43.4[2]	44.1[1]	4.8[3]	11.2[1]	30.0[1]	31,306[2]	22,697[2]
Fidelity Fund 82 Devonshire St. Boston, Mass. 02109	2.0[1]	13.8[7]	15.3[1]	−15.9[4]	−18.2[4]	30.0[5]	24.5[5]	−3.3[6]	8.9[4]	17.7[6]	20,061[6]	18,804[4]
Fidelity Gov't Securities 82 Devonshire St. Boston, Mass. 02109	—	—	—	—	—	—	—	—	—	—	—	—
Fidelity High Yield Municipal 82 Devonshire St. Boston, Mass. 02109	—	—	—	—	—	—	—	—	−0.1[9]	1.5[9]	—	—
Fidelity Limited Term 82 Devonshire St. Boston, Mass. 02109	—	—	—	—	—	—	—	—	−3.6[10]	0.6[9]	—	—
Fidelity Municipal Bond Fund 82 Devonshire St. Boston, Mass. 02109	—	—	—	—	—	—	—	7.3[2]	−6.1[10]	−1.7[10]	—	—
Fidelity Thrift Trust 82 Devonshire St. Boston, Mass. 02109	—	—	—	—	—	—	11.8[3]	2.5[4]	3.0[7]	7.0[8]	—	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1978	Income	None	1,500	No min.	6.5	10.2	9.92	11.28	.61	.12	5.4	—	—
1967	Performance	None	500	50	10.4	13.9	13.54	17.87	.24	—	1.3	X	—
1956	Performance	8.0	2,500	50	25.2	25.7	10.03	12.58	.31	—	2.3	X	X
1971	Growth	8.5	250	100	24.7	30.4	10.52	12.07	.45	.01	3.4	X	X
1977	Income	6.5	1,500	100	47.4	55.1	13.23	12.67	1.438	—	10.6	X	X
1977	Income	8.5	1,500	100	29.8	21.2	12.74	13.11	.73	.50	4.9	X	X
1976	Income	None	1,000	100	64.7	56.4	11.82	10.74	.706	—	6.6	X	—
1977	Income	None	2,500	No min.	56.3	84.7	9.34	8.72	1.076	—	12.4	X	—
1978	Growth	None	1,000	50	0.2	9.3	10.06	11.49	.125	.30	1.1	X	X
1971	Income	None	2,500	No min.	97.4	92.0	8.04	7.40	.68	—	10.1	X	X
1970	Growth	8.98	50	25	96.2	145.0	9.29	9.50	.31	2.32	2.6	X	X
1965	Growth/Income	None	500	50	63.7	88.0	16.35	20.07	1.19	—	5.9	X	X
1957	Growth/Income	None	50	50	483.1	487.8	15.75	17.00	.75	.79	4.2	X	X
1979	Income	None	1,000	No min.	—	20.5	--	9.76	—	—	—	X	X
1977	Income	None	2,500	No min.	105.7	180.1	13.92	13.19	.933	—	7.1	X	—
1977	Income	None	10,000	1,000	66.7	76.7	9.14	8.73	.463	—	5.3	X	—
1976	Income	None	2,500	No min.	578.2	530.9	9.35	8.64	.552	—	6.4	—	—
1975	Income	None	1,000	100	29.7	29.8	9.77	9.48	.969	—	10.2	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Fidelity Trend Fund 82 Devonshire St. Boston, Mass. 02109	—6.7[6]	16.4[5]	14.2[3]	23.7[6]	—31.4[9]	34.5[4]	21.1[6]	—3.3[6]	9.7[4]	26.4[4]	21,840[5]	14,214[6]
Financial Bond Shares P.O. Box 2040 Denver, Colo. 80201	—	—	—	—	—	—	—	—	1.9[8]	8.8[8]	—	—
Financial Dynamics Fund P.O. Box 2040 Denver, Colo. 80201	—40.2[10]	13.5[7]	17.5[2]	—15.4[4]	—34.7[9]	38.3[3]	31.1[3]	7.7[2]	6.2[6]	41.0[1]	29,239[2]	12,883[8]
Financial Industrial Fund P.O. Box 2040 Denver, Colo. 80201	—8.4[6]	14.0[7]	20.0[2]	—11.8[7]	—23.7[6]	34.3[4]	29.4[3]	2.6[4]	7.5[5]	36.6[2]	26,183[3]	22,080[2]
Financial Industrial Income Fd. P.O. Box 2040 Denver, Colo. 80201	—4.4[5]	17.4[5]	10.5[5]	—4.2[1]	—12.7[7]	38.3[3]	39.9[1]	3.9[4]	1.6[8]	29.1[3]	26,369[3]	27,349[1]
Finomic Investment Fund 600 Jefferson, Cullen Center Houston, Texas 77002	—	—	—	—26.2[7]	—39.2[10]	16.5[8]	22.7[5]	—4.2[8]	16.3[2]	44.0[1]	22,831[4]	—
First Index Investment Fund P.O. Box 1100 Valley Forge, Pa. 19482	—	—	—	—	—	—	—	—7.8[10]	5.9[6]	17.8[6]	—	—
First Investors Bond Apprec. Fund 120 Wall Street New York, N.Y. 10005	—	—	—	—	—	—	—	—	—	11.2[7]	—	—
First Investors Discovery Fund 120 Wall Street New York, N.Y. 10005	—19.3[8]	15.4[5]	—3.4[8]	—37.7[9]	—36.5[10]	41.5[2]	34.2[2]	—3.3[5]	8.7[4]	34.7[2]	26,889[3]	9,570[10]
First Investors Fund 120 Wall Street New York, N.Y. 10005	5.2[2]	8.0[6]	12.7[4]	—20.7[5]	—22.3[5]	26.3[6]	30.7[3]	0.1[6]	1.0[8]	5.2[8]	17,556[6]	13,851[5]
First Inv. Fund for Growth 120 Wall Street New York, N.Y. 10005	—14.7[7]	29.8[2]	6.2[7]	—27.5[8]	—28.9[8]	24.8[7]	18.3[7]	0.0[6]	12.9[3]	23.3[5]	20,552[5]	12,458[8]
First Inv. Fund for Income 120 Wall Street New York, N.Y. 10005	—	—	4.9[6]	—12.0[3]	—14.0[1]	38.0[1]	38.8[1]	9.8[2]	1.0[7]	7.4[8]	22,813[4]	—
First Investors Option Fund 120 Wall Street New York, N.Y. 10005	—5.2[5]	6.9[9]	14.6[1]	—14.1[3]	—12.4[2]	22.7[7]	5.6[10]	—2.2	7.1[5]	17.5[6]	15,947[4]	13,936[5]
First Investors Tax Exempt Fund 120 Wall Street New York, N.Y. 10005	—	—	—	—	—	—	—	—	0.6[9]	0.2[9]	—	—
44 Wall Street Fund 150 Broadway New York, N.Y. 10038	5.9[2]	70.8[1]	—5.3[10]	—46.8[10]	—52.2[10]	184.1[1]	46.5[1]	16.5[1]	32.9[1]	71.4[1]	110,451[1]	48,110[1]
Founders Growth Fund 1300 First/Denver Plaza Denver, Colo. 80217	—7.4[6]	24.5[3]	16.3[3]	—24.8[7]	—21.6[4]	30.1[5]	7.4[10]	—4.8[8]	11.8[3]	37.1[2]	20,390[5]	16,116[6]
Founders Income Fund 1300 First/Denver Plaza Denver, Colo. 80217	3.4[2]	12.2[8]	1.5[9]	—12.0[3]	—8.2[1]	20.5[8]	28.4[3]	—3.0[7]	4.0[7]	21.6[5]	18,982[7]	18,054[4]
Founders Mutual Fund 1300 First/Denver Plaza Denver, Colo. 80217	3.2[2]	12.0[8]	15.9[3]	—10.8[2]	—23.0[5]	37.6[3]	19.6[7]	—11.7[10]	4.5[6]	12.8[7]	17,243[8]	15,761[6]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1957	Growth	None	50	50	426.7	602.7	22.55	26.03	.84	1.61	3.0	X	X
1977	Income	None	1,000	100	2.0	2.5	7.44	7.34	.755	—	10.3	—	X
1967	Performance	None	500	25	41.1	50.8	5.17	6.98	.31	—	4.4	X	X
1935	Growth/Income	None	500	25	240.6	298.0	4.01	4.94	.253	.284	4.8	X	X
1960	Income	None	500	25	156.3	178.5	6.74	8.15	.505	.045	6.2	X	X
1972	Performance	None	750	50	0.4	0.5	5.75	9.88	—	—	0.0	X	X
1976	Growth	None	1,500	50	66.2	79.0	13.12	14.67	.75	.04	5.1	X	X
1978	Growth/Income	7.25	1,000	100	25.7	30.4	13.96	13.88	1.30	.34	8.5	X	X
1969	Performance	8.5	200	50	3.8	4.8	6.07	8.05	.125	—	1.4	X	X
1926	Growth/Income	8.5	200	50	14.7	12.5	7.65	7.31	.737	—	9.2	X	X
1965	Performance	8.5	200	50	61.4	61.2	7.74	9.25	.29	—	2.9	X	X
1971	Income	8.5	200	50	447.3	523.5	7.74	7.38	.86	.07	10.6	X	X
1952	Income	7.25	200	50	0.5	23.2	6.47	6.63	.32	.65	4.1	X	X
1976	Income	7.25	200	50	13.2	21.3	10.33	9.71	.64	—	6.1	—	—
1969	Performance	None	1,000	100	31.6	107.5	12.37	17.95	—	3.25	0.0	X	X
1962	Performance	None	250	25	28.3	31.2	4.75	6.25	.227	—	3.6	X	X
1962	Income	None	250	25	5.2	5.4	11.71	13.50	.744	—	5.5	X	X
1938	Growth/Income	8.5	No min.	No min.	134.1	129.7	7.85	8.25	.395	.21	4.3	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Founders Special Fund 1300 First/Denver Plaza Denver, Colo. 80217	21.3[1]	35.6[1]	25.3[1]	—19.1[5]	—19.9[4]	0.7[10]	16.9[8]	12.8[2]	6.9[5]	53.7[1]	23,235[4]	31,500[1]
Foursquare Fund 24 Federal St. Boston, Mass. 02110	—1.5[4]	15.5[6]	11.0[5]	—14.0[3]	—28.3[7]	22.5[5]	30.2[3]	—7.6[10]	2.8[7]	20.3[5]	18,226[7]	14,191[6]
Franklin DynaTech Series 155 Bovet Rd. San Mateo, Cal. 94402	—20.0[8]	25.5[3]	16.0[3]	—35.2[9]	—33.4[9]	31.8[5]	22.0[6]	4.5[3]	13.2[3]	33.9[2]	25,463[3]	12,798[9]
Franklin Growth Series 155 Bovet Rd. San Mateo, Cal. 94402	—8.4[6]	23.1[3]	20.0[2]	—16.4[4]	—30.2[9]	23.9[7]	11.0[10]	—4.4[8]	15.5[2]	8.6[8]	16,491[9]	13,003[8]
Franklin Income Series 155 Bovet Rd. San Mateo, Cal. 94402	7.3[1]	19.2[4]	4.2[8]	—3.9[1]	—11.2[2]	25.5[7]	21.8[6]	8.1[2]	8.2[4]	27.0[4]	22,706[4]	25,824[1]
Franklin Tax-Free Income Series 155 Bovet Rd. San Mateo, Cal. 94402	—	—	—	—	—	—	—	—	—1.5[10]	—1.3[10]	—	—
Franklin U.S. Gov't Series 155 Bovet Rd. San Mateo, Cal. 94402	—	6.5[9]	5.1[8]	1.1[1]	2.2[1]	6.9[10]	12.8[9]	1.7[5]	—1.2[9]	1.2[9]	12,261[10]	—
Franklin Utilities Series 155 Bovet Rd. San Mateo, Cal. 94402	13.4[1]	—2.5[10]	6.7[7]	—29.1[8]	—21.2[5]	40.9[2]	28.4[1]	7.9[2]	0.0[9]	0.0[9]	19,520[6]	12,866[8]
Fundamental Investors 333 So. Hope St. Los Angeles, Calif. 90071	—5.8[5]	17.4[5]	7.7[7]	—21.5[6]	—22.1[5]	36.2[3]	19.4[7]	—5.8[9]	6.3[5]	15.1[7]	18,505[7]	13,027[8]
Fundex 127 John St. New York, N.Y. 10038	—40.0[10]	22.2[3]	—6.2[10]	—26.8[7]	—29.7[8]	4.9[10]	17.0[8]	—1.0[6]	14.1[3]	30.5[3]	18,090[8]	6,402[10]
Fund for U.S. Gov't Securities 421 Seventh Ave. Pittsburgh, Pa. 15219	12.6[1]	7.7[9]	5.6[7]	2.4[1]	1.8[1]	8.4[10]	12.6[9]	1.3[5]	1.6[8]	1.2[9]	12,713[10]	16,772[5]
Fund of America 2777 Allen Parkway Houston, Texas 77019	—12.7[7]	6.0[10]	10.1[5]	—17.8[4]	—27.4[7]	14.8[9]	20.9[6]	1.1[5]	4.3[6]	40.5[2]	20,562[5]	12,502[9]
Fund of the Southwest 1807 Ross Ave. Dallas, Texas 75201	—5.0[5]	35.1[1]	10.7[5]	—32.7[9]	—29.8[8]	26.2[6]	37.3[1]	10.3[2]	19.8[2]	35.7[2]	31,068[2]	20,854[3]
Gaming, Sports & Growth Fund 1700 Market St. Philadelphia, Pa. 19103	—	—	—	—	—	—	—	—	—	—	—	—
Gateway Option Fund 330 Dixie Terminal Bldg. Cincinnati, Ohio 45202	—	—	—	—	—	—	—	—	5.9[6]	14.6[7]	—	—
General Electric S & S Program 112 Prospect St. Stamford, Conn. 06904	—7.6[8]	27.1[2]	23.8[1]	—20.8[5]	—36.1[10]	32.2[4]	13.7[9]	—8.4[10]	6.1[6]	18.7[6]	17,341[6]	12,732[9]
General Securities 133 S. 7th St. Minneapolis, Minn. 55402	—5.9[5]	—0.9[10]	—4.1[10]	—30.1[8]	—15.7[3]	61.4[1]	35.6[2]	—2.9[7]	16.0[2]	13.3[7]	27,931[2]	14,720[7]
Golconda Investors, Ltd. 111 Broadway New York, N.Y. 10006	—6.1[5]	4.9[10]	7.4[7]	—32.5[9]	—17.8[4]	—21.9[10]	—30.6[10]	13.1[1]	12.7[3]	116.6[1]	14,962[10]	8,783[10]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1960	Performance	None	250	25	13.4	16.6	10.15	15.14	.437	—	3.1	X	X
1961	Growth/Income	None	50	20	6.1	6.5	7.36	8.63	.183	.039	2.1	X	X
1968	Performance	7.25	100	25	9.0	10.8	8.14	10.79	.11	—	0.9	X	X
1947	Growth	7.25	100	25	10.5	8.5	6.26	6.72	.08	—	1.1	X	X
1947	Income	7.25	100	25	27.4	33.1	1.72	1.96	.165	.06	7.6	X	X
1977	Income	7.25	100	25	2.2	—	8.98	8.27	.59	—	6.6	X	X
1970	Income	7.25	100	25	10.7	10.2	8.92	8.35	.68	—	7.6	X	X
1947	Growth	7.25	100	25	10.8	9.5	4.60	4.23	.37	—	8.1	X	X
1932	Growth/Income	7.25	250	50	432.1	387.7	6.63	7.33	.30	—	3.7	X	X
1967	Growth	OTC	—	—	0.4	0.4	2.26	2.95	—	—	0.0	—	—
1969	Income	None	250	25	87.3	73.1	9.01	8.40	.72	—	8.6	X	X
1946	Growth	8.5	500	50	40.0	79.3	6.46	8.57	.505	—	5.4	X	X
1969	Growth	7.5	10	10	1.9	2.2	8.20	9.21	.27	1.645	2.3	X	X
1978	Performance	None	2,500	250	—	0.4	—	9.80	—	—	—	—	—
1977	Income	None	1,500	500	10.2	13.3	15.26	15.81	.63	1.05	3.7	X	X
1967	Growth	None	No min.	No min.	422.1	497.8	26.09	29.78	1.18	—	4.0	—	—
1951	Growth	None	100	10	9.1	9.8	10.34	11.17	.465	.085	4.1	X	X
1958	Gold	None	500	25	1.6	3.8	5.24	11.35	—	—	0.0	—	—

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Gold Fund 80 Broad St. New York, N.Y. 10004	—	—	—	—	—	—	—	—	—	—	—	—
Samuel Greenfield Fund One Battery Park Plaza New York, N.Y. 10004	6.9[2]	7.4[4]	2.4[8]	−19.6[5]	−7.1[1]	35.6[3]	37.4[1]	−4.9[8]	9.7[4]	12.2[7]	21,808[5]	19,664[3]
Growth Fund of America 2 Embarcadero Ctr. San Francisco, Cal. 94111	4.1[2]	14.8[6]	−20.8[10]	−26.2[7]	−21.9[5]	35.5[3]	18.2[7]	19.8[1]	26.8[1]	45.4[1]	35,373[1]	19,301[4]
Growth Industry Shares 135 So. La Salle Chicago, Ill. 60603	−9.1[5]	21.7[3]	22.2[1]	−25.1[7]	−29.1[8]	33.0[4]	16.9[8]	−2.8[7]	19.7[2]	29.8[3]	23,479[4]	16,855[5]
G.T. Pacific Fund 601 Montgomery St. San Francisco, Cal. 94111	—	—	—	—	—	—	—	—	50.9[1]	−20.3[10]	—	—
Guardian Mutual Fund 522 Fifth Ave. New York, N.Y. 10036	2.2[3]	15.7[5]	11.4[4]	−12.5[3]	−14.8[3]	40.1[2]	34.9[2]	1.3[5]	8.4[4]	35.4[2]	28,100[2]	27,594[1]
Guardian Park Ave. Fund 201 Park Ave. South New York, N.Y. 10003	—	—	6.8[7]	−15.5[4]	−15.6[3]	46.2[1]	42.0[1]	7.2[2]	13.8[2]	27.3[4]	32,241[2]	—
Hamilton Funds — HDA 3600 S. Yosemite St. Denver, Colo. 80237	1.8[3]	14.1[7]	8.4[6]	−18.1[4]	−22.1[5]	40.4[2]	20.5[6]	−7.8[10]	5.8[6]	15.9[6]	19,127[7]	15,367[7]
Hamilton Growth Fund 3600 S. Yosemite St. Denver, Colo. 80237	−19.7[8]	16.0[6]	5.6[7]	−30.3[8]	−31.9[9]	45.8[1]	26.9[4]	0.0[6]	3.9[7]	34.3[2]	25,817[3]	12,054[9]
Hamilton Income Fund 3600 S. Yosemite St. Denver, Colo. 80237	—	29.4[2]	15.6[3]	−3.5[1]	−15.9[3]	51.7[1]	44.6[1]	−2.6[7]	6.3[5]	23.7[4]	28,094[2]	—
John Hancock Balanced Fund John Hancock Place Boston, Mass. 02117	1.2[3]	9.1[9]	12.6[4]	−16.9[4]	−13.6[1]	30.5[5]	27.6[4]	−2.1[7]	1.3[8]	6.5[8]	17,589[6]	15,700[6]
John Hancock Bond Fund John Hancock Place Boston, Mass. 02117	—	—	—	—	−5.9[1]	14.9[9]	16.4[5]	4.1[4]	−0.1[9]	−3.1[10]	13,477[10]	—
John Hancock Growth Fund John Hancock Place Boston, Mass. 02117	−9.7[6]	13.1[7]	14.9[3]	−23.7[6]	−34.6[9]	26.1[6]	12.5[9]	−13.6[10]	15.5[2]	33.6[2]	19,068[7]	11,165[10]
John Hancock Tax Exempt Inc. Tr. John Hancock Place Boston, Mass. 02117	—	—	—	—	—	—	—	−5.0[10]	—	−4.7[10]	—	—
Harbor Fund 2777 Allen Parkway Houston, Texas 77019	−5.7[5]	19.8[4]	4.8[8]	−6.8[1]	−11.3[2]	24.6[7]	26.5[4]	2.7[4]	8.8[4]	23.5[5]	21,751[5]	21,288[3]
Hartwell Growth Fund 50 Rockefeller Center New York, N.Y. 10020	−23.3[9]	37.7[1]	−9.5[10]	−34.7[9]	−24.7[6]	30.9[5]	25.2[4]	17.0[1]	18.9[2]	40.6[2]	32,058[2]	15,070[7]
Hartwell Leverage Fund 50 Rockefeller Center New York, N.Y. 10020	−22.2[9]	35.8[1]	−20.7[10]	−17.8[4]	−23.7[6]	34.5[4]	34.6[2]	16.6[1]	11.3[3]	55.4[1]	37,032[1]	18,951[4]
Heart of America Growth 1900 W. 47th Place Shawnee Mission, KS 66205	—	—	8.1[6]	−30.4[8]	−28.7[6]	39.7[2]	27.7[4]	−0.8[6]	−0.3[9]	16.4[6]	20,537[5]	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1975	Gold	None	500	25	—	0.6	—	8.52	—	—	—	—	X
1966	Performance	None	1,000	200	1.2	1.2	8.54	8.98	.393	.205	4.3	X	—
1946	Growth	8.5	1,000	50	66.2	84.9	7.02	10.09	.12	—	1.1	X	X
1946	Growth	None	200	25	27.3	31.2	21.29	27.22	.41	—	1.5	X	X
1977	Growth	None	1,000	100	17.7	8.8	16.79	11.72	1.5	1.655	0.1	—	—
1950	Growth/Income	None	200	50	92.6	132.1	25.70	30.98	1.15	2.68	3.4	X	X
1970	Growth	8.5	300	50	13.2	21.5	12.63	14.83	.57	.68	3.4	X	X
1948	Growth/Income	8.5	20	20	319.0	287.7	4.05	4.05	.195	—	4.0	X	X
1968	Performance	8.5	20	20	25.1	26.4	6.70	8.65	.345	—	3.6	X	X
1970	Income	None	250	50	47.3	51.2	6.08	6.92	.39	—	5.5	X	X
1969	Balanced	8.0	500	25	11.9	11.3	8.26	8.25	.55	—	6.1	X	X
1973	Income	8.0	1,000	25	204.6	228.5	17.51	15.42	1,535	.007	9.2	X	X
1969	Growth	8.0	500	25	26.5	30.4	6.09	8.04	.097	—	1.1	X	X
1976	Income	8.0	1,000	25	12.4	13.5	13.57	12.17	.763	—	5.8	X	—
1956	Income	8.5	500	50	105.8	105.2	8.65	10.08	.60	—	5.4	X	X
1965	Performance	None	300	50	4.5	4.9	16.03	22.54	—	—	0.0	X	—
1968	Performance	None	5,000	50	5.1	5.8	9.85	15.31	—	—	0.0	—	—
1971	Growth	8.5	25	10	0.7	0.8	5.84	6.42	.20	.17	2.8	X	—

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Heritage Fund 680 Sharon Park Drive Menlo Park, Cal. 94025	—31.0[9]	14.5[7]	21.9[1]	—43.3[10]	—52.4[10]	37.2[3]	22.4[5]	16.0[1]	5.9[6]	53.4[1]	31,647[2]	8,224[10]
Herold Fund 35 Mason St. Greenwich, Conn. 06830	—8.5[5]	32.1[1]	—4.0[5]	—35.5[9]	—25.3[5]	25.7[7]	17.0[6]	—1.9[7]	5.7[6]	22.6[5]	18,695[7]	10,452[10]
High Yield Securities, Inc. 1080 Dresser Towers Houston, Texas 77002	—	—	—	—	—	—	—	—	0.3[8]	4.7[8]	—	—
IDS Bond Fund 1000 Roanoake Bldg. Minneapolis, Minn. 55402	—	—	—	—	—	17.4[9]	21.8[6]	5.5[3]	2.2[7]	1.3[9]	15,618[9]	—
IDS Growth Fund 1000 Roanoke Bldg. Minneapolis, Minn. 55402	—	—	—	—26.6[7]	—39.5[10]	29.2[5]	18.2[7]	8.3[2]	18.0[2]	38.2[2]	26,968[3]	—
IDS New Dimensions Fund 1000 Roanoke Bldg. Minneapolis, Minn. 55402	—19.2[8]	48.1[1]	27.0[1]	—28.4[8]	—34.7[9]	28.2[6]	14.9[9]	1.8[5]	9.1[4]	33.5[2]	21,840[5]	15,519[5]
IDS Progressive Fund 1000 Roanoke Bldg. Minneapolis, Minn. 55402	—20.6[8]	44.1[1]	11.7[4]	—28.4[8]	—37.7[10]	30.8[5]	15.8[5]	0.5[5]	8.8[4]	18.3[6]	19,593[5]	11,169[7]
IDS Tax Exempt Bond Fund 1000 Roanoke Bldg. Minneapolis, Minn. 55402	—	—	—	—	—	—	—	—	—3.7[10]	—3.0[10]	—	—
Income Fund of America 2 Embarcadero Ctr. San Francisco, Cal. 94111	—	11.4[8]	9.4[5]	—9.4[2]	—6.3[1]	34.9[3]	34.4[2]	—02.[5]	4.9[5]	7.5[8]	20,282[6]	—
Industries Trend Fund 711 Polk St. Houston, Texas 77002	—4.4[5]	16.9[5]	23.6[1]	—25.6[7]	—21.3[5]	24.6[7]	20.9[6]	—7.0[9]	1.4[6]	17.6[5]	16,706[4]	13,512[8]
Industry Fund of America 10201 Parish Place Cupertino, Cal. 95014	—26.4[9]	6.0[10]	—3.3[6]	—31.1[8]	—48.9[10]	55.2[1]	20.9[6]	0.7[6]	14.9[2]	57.6[1]	33,713[2]	9,088[10]
Intercapital High Yield Sec. One Battery Park Plaza New York, N.Y. 10004	—	—	—	—	—	—	—	—	—	—	—	—
International Investors 122 E. 42nd St. New York, N.Y. 10017	8.4[1]	—5.6[10]	60.2[1]	92.0[1]	11.5[1]	—22.9[10]	—28.4[10]	31.6[1]	9.3[4]	169.8[1]	21,422[5]	75,181[1]
Investment Co. of America 333 So. Hope St. Los Angeles, Cal. 90091	2.2[3]	16.8[5]	15.6[3]	—16.9[4]	—17.8[4]	35.2[3]	29.3[3]	—2.7[7]	14.6[2]	18.8[6]	23,157[4]	21,829[2]
Investment Guidance Fund Investment Plaza Cleveland, Ohio 44114	—9.8[7]	23.4[3]	5.2[8]	—30.9[8]	—29.1[6]	51.3[1]	29.3[3]	6.8[2]	6.2[6]	31.5[3]	28,845[2]	16,739[5]
Investment Trust of Boston One Winthrop Square Boston, Mass. 02110	3.1[2]	8.0[9]	11.7[5]	—10.3[2]	—18.5[4]	34.2[4]	21.1[5]	—7.7[10]	11.0[3]	17.5[5]	19,564[6]	17,670[5]
Investors Mutual 1000 Roanoke Bldg. Minneapolis, Minn. 55402	0.4[3]	13.5[7]	13.2[4]	—13.6[3]	—18.5[4]	25.7[7]	22.1[6]	—3.0[7]	3.2[7]	11.1[7]	17,070[8]	15,506[6]
Investors Research Fund 1900 State St. Santa Barbara, Cal. 93101	—7.7[6]	24.0[3]	20.3[2]	—14.4[3]	—12.6[2]	22.7[7]	11.7[10]	5.8[3]	14.2[3]	17.6[6]	19,473[6]	20,061[3]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1951	Performance	Not offered	—	—	0.5	0.6	1.61	2.47	—	—	0.0	X	—
1968	Growth	1.0	1,000	500	1.8	1.9	101.58	124.55	—	—	0.0	—	—
1977	Income	6.5	1,250	100	86.2	106.8	10.83	10.10	1.20	.04	11.1	X	X
1974	Income	3.5	2,000	50	197.2	378.3	5.41	4.93	.548	—	10.7	X	X
1972	Growth	8.74	1,000	25	78.8	111.2	6.68	8.54	.152	.54	1.6	X	X
1968	Growth	8.0	1,000	25	172.3	171.8	5.24	6.81	.186	—	2.5	X	X
1969	Performance	8.0	1,000	25	127.6	110.9	3.30	3.79	.113	—	2.7	X	X
1976	Income	4.75	1,000	100	132.1	149.1	4.57	4.16	.274	—	6.3	X	—
1970	Income	8.5	1,000	50	265.1	244.5	7.76	7.74	.60	—	7.1	X	X
1965	Performance	2.5	2,000	50	50.1	46.4	9.79	10.84	.67	—	6.0	X	X
1962	Performance	None	1,000	25	0.4	0.5	3.54	5.58	—	—	0.0	X	—
1979	Income	5.5	1,000	100	—	139.4	—	14.51	—	—	—	X	X
1953	Gold	8.5	1,000	100	86.7	190.7	9.77	25.61	.75	—	2.7	X	X
1933	Growth/Income	8.5	250	50	1,329.8	1,438.1	7.49	8.50	.31	.09	3.3	X	X
1968	Performance	None	10 shrs	No min.	2.5	2.9	9.53	12.25	.28	—	2.3	X	X
1931	Growth/Income	7.25	50	50	53.2	61.6	9.70	10.64	.37	.39	3.1	X	X
1940	Balanced	8.0	1,000	25	1,694.4	1,496.7	8.66	9.03	.593	—	6.0	X	X
1959	Growth	8.5	No min.	No min.	10.3	11.3	5.62	5.67	.14	.799	2.0	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Investors Selective Fund 1000 Roanoke Bldg. Minneapolis, Minn. 55402	7.4[1]	13.5[7]	8.4[6]	2.1[1]	—3.0[1]	13.8[9]	20.1[7]	2.8[4]	2.1[6]	0.1[9]	14,360[10]	18,791[4]
Investors Stock Fund 1000 Roanoke Bldg. Minneapolis, Minn. 55402	—4.2[5]	16.5[6]	15.2[3]	—17.6[4]	—27.2[7]	34.8[4]	23.6[5]	—7.3[9]	4.7[6]	19.9[5]	19,154[7]	14,954[7]
Investors Variable Payment 1000 Roanoke Bldg. Minneapolis, Minn. 55402	—13.1[7]	25.8[3]	20.7[2]	—23.8[6]	—34.9[9]	29.6[5]	16.1[8]	—5.2[9]	9.8[4]	22.2[3]	19,139[7]	12,527[9]
ISI Growth Fund 1608 Webster St. Oakland, Calif. 94623	—27.1[9]	8.5[9]	16.3[3]	—7.8[2]	—4.5[1]	12.9[9]	12.5[9]	4.4[4]	5.6[6]	38.1[2]	19,338[6]	15,664[6]
ISI Income Fund 1608 Webster St. Oakland, Calif. 94623	-0.5[4]	2.9[10]	5.1[8]	5.5[1]	—0.7[1]	5.7[10]	5.8[10]	6.3[3]	4.8[6]	23.5[3]	15,386[9]	17,345[5]
ISI Trust Fund Shares 1608 Webster St. Oakland, Calif. 94623	—	9.6[9]	11.9[4]	13.4[1]	7.6[1]	3.4[10]	—0.9[10]	7.3[2]	7.6[5]	19.8[3]	14,173[10]	—
Istel Fund 345 Park Ave. New York, N.Y. 10022	2.7[3]	20.3[4]	7.6[6]	—5.6[1]	—10.4[2]	21.4[7]	3.6[10]	—1.8[7]	15.1[2]	30.6[3]	18,565[7]	20,876[2]
Ivest Fund P.O. Box 1100 Valley Forge, Pa. 19482	—4.5[5]	21.5[3]	11.7[4]	—32.1[9]	—33.5[8]	30.6[5]	14.5[9]	1.1[5]	16.2[2]	18.1[6]	20,746[5]	12,140[9]
Ivy Fund 201 Devonshire St. Boston, Mass. 02110	—19.6[7]	17.8[4]	14.1[3]	—24.0[6]	—32.5[8]	29.8[5]	18.0[7]	—7.3[9]	4.6[6]	30.0[3]	19,307[6]	12,033[9]
Janus Fund 789 Sherman St. Denver, Colo. 80203	—	41.4[1]	33. 9[1]	—16.0[4]	—6.8[1]	—13.4[9]	20.1[7]	3.5[4]	15.8[2]	34.6[2]	21,972[5]	—
Johnston Capital Appreciation One Boston Place Boston, Mass. 02106	—5.8[5]	26.4[2]	24.5[1]	—20.4[5]	—30.7[8]	—31.6[5]	16.7[8]	—5.1[8]	8.2[4]	19.5[5]	18,846[7]	15,410[6]
Johnstown Income Fund One Boston Place Boston, Mass. 02106	—	—	—	—	—	—	—	—	—	—	—	—
JP Growth Fund P.O. Box 21008 Greensboro, N.C. 27420	—	10.8[6]	3.0[8]	—21.9[6]	—24.6[6]	38.9[2]	37.1[2]	—7.8[10]	7.3[5]	16.9[6]	22,023[5]	—
JP Income Fund P.O. Box 21008 Greensboro, N.C. 27420	—	—	—	—	—	—	—	—	—	—	—	—
Kaufmann Fund 131 State St. Boston, Mass. 02109	—11.8[7]	—1.8[10]	—16.0[10]	—41.5[10]	—41.7[10]	32.8[4]	9.9[10]	4.8[3]	—4.0[10]	2.4[9]	15,305[10]	3,731[10]
Kemper Fund Gov't. Guar. Sec. 120 LaSalle St. Chicago, Ill. 60603	—	—	—	—	—	—	—	—	1.1[9]	1.0[9]	—	—
Kemper Growth Fund 120 S. LaSalle St. Chicago, Ill. 60603	—4.1[5]	19.9[4]	6.4[7]	—18.7[5]	—27.5[7]	42.1[2]	28.9[3]	2.3[5]	17.8[2]	40.1[2]	30,926[2]	22,300[2]
Kemper High Yield 120 S. LaSalle St. Chicago, Ill. 60603	—	—	—	—	—	—	—	—	—	2.7[9]	—	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1945	Income	7.0	1,000	25	562.9	553.5	8.71	7.92	.799	—	9.4	X	X
1945	Growth/Income	8.0	1,000	25	1,638.4	1,559.0	17.45	19.72	.975	.22	4.5	X	X
1975	Growth	8.0	1,000	25	439.1	403.8	6.64	7.81	.307	—	3.6	X	X
1968	Growth	8.5	1,000	No min.	14.5	16.1	4.75	6.28	.28	—	4.1	X	X
1968	Income	8.5	1,000	No min.	11.6	11.8	3.42	3.91	.315	—	7.4	X	X
1938	Growth/Income	8.5	1,000	No min.	137.1	121.6	10.84	12.13	8.6	—	6.6	X	X
1953	Growth/Income	3.0	No min.	No min.	96.5	112.7	22.48	28.55	.80	—	2.7	X	X
1959	Performance	None	500	50	151.8	143.1	9.00	10.29	.34	—	3.3	X	X
1960	Growth	None	500	100	29.2	32.6	6.23	7.87	.23	—	2.9	X	X
1970	Performance	None	500	100	18.8	21.4	18.34	22.87	1.16	.66	4.9	X	X
1947	Growth	None	250	50	210.7	202.0	20.67	23.74	.97	—	4.1	X	X
1979	Income	None	250	100	—	2.0	—	10.18	—	—	—	X	X
1970	Growth	8.0	300	25	15.8	17.3	10.35	11.31	.45	.34	3.6	X	X
1978	Income	8.0	300	25	11.0	17.8	9.87	9.14	.87	—	8.8	X	X
1967	Growth	None	500	50	0.2	0.2	3.36	3.44	—	—	0.0	X	X
1976	Income	4.0	1,000	100	6.8	7.1	11.10	10.28	.935	—	8.7	X	X
1965	Growth	8.5	100	25	111.3	136.1	8.26	10.04	.27	1.26	2.4	X	X
1977	Income	6.75	100	25	86.4	103.1	11.03	10.14	1.185	—	10.9	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Kemper Income & Capital Presv. Fd. 120 S. LaSalle St. Chicago, Ill. 60603	—	—	—	—	—	11.5[10]	13.2[9]	4.0[4]	3.1[7]	2.2[9]	13,831[10]	—
Kemper Municipal Bd. Fd. 120 S. LaSalle St. Chicago, Ill. 60603	—	—	—	—	—	—	—	7.4[2]	−6.3[10]	−0.9[10]	—	—
Kemper Option Income Fund 120 S. LaSalle St. Chicago, Ill. 60603	—	—	—	—	—	—	—	—	5.4[5]	16.5[5]	—	—
Kemper Summit Fund 120 S. LaSalle St. Chicago, Ill. 60603	−0.9[4]	25.7[3]	7.0[7]	−27.5[8]	−33.9[9]	56.4[1]	32.5[2]	12.6[2]	18.7[2]	41.3[1]	39,136[1]	24,998[1]
Kemper Total Return 120 S. LaSalle St. Chicago, Ill. 60603	9.9[1]	15.2[6]	10.2[5]	−9.1[2]	−16.2[3]	34.6[3]	34.6[2]	4.6[3]	10.4[3]	29.5[2]	27,391[1]	29,110[1]
Keystone B-1 (Invest. Bd.) 99 High St. Boston, Mass. 02110	10.8[1]	10.8[8]	7.5[7]	3.4[1]	−2.1[1]	10.1[10]	15.3[5]	4.0[4]	1.7[9]	3.6[8]	13,909[10]	18,583[4]
Keystone B-2 (Med. Growth Bd.) 99 High St. Boston, Mass. 02110	7.4[1]	17.1[5]	9.1[6]	−0.8[1]	−5.3[1]	18.8[8]	22.0[6]	7.0[2]	2.0[8]	5.9[8]	16,398[8]	21,307[2]
Keystone B-4 (Discount Bd.) 99 High St. Boston, Mass. 02110	−2.4[4]	20.3[4]	11.6[4]	−7.1[2]	−7.7[1]	24.3[7]	25.9[4]	7.4[2]	4.5[6]	2.1[9]	18,931[5]	20,149[3]
Keystone K-1 (Income Fund) 99 High St. Boston, Mass. 02110	3.4[2]	15.5[6]	7.5[7]	−11.2[2]	−10.6[2]	27.0[6]	26.2[4]	2.0[5]	3.2[7]	9.1[5]	18,407[7]	18,762[4]
Keystone K-2 (Growth Fund) 99 High St. Boston, Mass. 02110	8.8[5]	33.6[1]	22.4[1]	−26.0[7]	−31.8[9]	32.6[4]	11.8[9]	−3.8[8]	8.8[4]	17.6[5]	18,249[7]	13,736[8]
Keystone S-1 (High Grade) 99 High St. Boston, Mass. 02110	−0.9[4]	18.9[4]	20.9[1]	−14.4[3]	−27.3[8]	25.6[7]	16.6[8]	−8.9[10]	6.7[5]	16.1[6]	16,529[9]	14,651[7]
Keystone S-3 (Growth) 99 High St. Boston, Mass. 02110	−1.9[4]	25.1[3]	13.3[4]	−26.7[7]	−33.1[9]	46.9[1]	23.2[5]	0.6[6]	10.5[4]	30.4[3]	26,234[3]	17,887[5]
Keystone S-4 (Lower Priced) 99 High St. Boston, Mass. 02110	−21.1[8]	35.2[1]	13.0[4]	−40.5[10]	−22.0[10]	36.8[3]	32.5[2]	8.8[2]	19.9[2]	46.5[1]	34,641[2]	13,913[8]
Keystone International 99 High St. Boston, Mass. 02110	−19.9[8]	43.3[1]	17.3[2]	−38.3[9]	−33.9[9]	36.2[3]	10.8[10]	−1.5[7]	6.3[5]	24.8[4]	19,719[6]	10,828[10]
Keystone Tax Free Fund 99 High St. Boston, Mass. 02110	—	—	—	—	—	—	—	—	—	0.3[9]	—	—
Lexington Growth Fund P.O. Box 1515 Englewood, N.J. 07632	−16.8[8]	27.2[2]	13.5[4]	−42.6[10]	−23.3[8]	46.1[1]	47.5[1]	11.5[2]	30.7[1]	26.3[4]	39,662[1]	20,974[3]
Lexington Income Fund P.O. Box 1515 Englewood, N.J. 07632	—	—	—	—	8.2[1]	7.5[10]	13.6[9]	3.7[4]	−0.6[9]	0.7[9]	12,676[10]	—
Lexington Research Fund P.O. Box 1515 Englewood, N.J. 07632	4.4[5]	13.0[7]	12.8[4]	−21.5[6]	−24.7[6]	42.9[2]	25.5[4]	−6.9[9]	6.6[5]	30.2[3]	23,175[4]	16,692[6]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1974	Income	6.0	100	25	119.0	104.7	10.03	9.29	.96	—	9.7	X	X
1976	Income	4.75	100	25	210.0	214.9	10.00	9.30	.605	—	6.2	X	—
1977	Income	8.5	100	25	67.3	66.3	12.35	12.79	.53	1.07	3.5	X	X
1969	Performance	8.5	2,500	50	38.9	48.8	12.24	14.85	.38	2.07	2.1	X	X
1964	Income	8.5	100	25	39.0	48.1	9.43	10.59	.58	1.04	4.6	X	X
1932	Income	4.25	250	No min.	71.8	60.3	16.44	15.54	1.50	—	9.2	X	X
1932	Income	8.5	250	No min.	50.0	48.4	17.93	17.23	1.76	—	9.3	X	X
1932	Income	8.5	250	No min.	461.3	408.8	7.95	7.33	.79	—	9.9	X	X
1932	Income	8.5	250	No min.	64.0	57.4	7.15	7.19	.61	—	7.8	X	X
1932	Growth	8.5	250	No min.	122.3	144.5	5.07	5.69	.27	—	4.3	X	X
1932	Growth/Income	8.5	250	No min.	81.7	69.8	17.27	18.38	.82	.85	3.9	X	X
1932	Growth	8.5	250	No min.	90.9	101.6	7.63	9.09	.53	.33	5.2	X	X
1932	Performance	8.5	250	No min.	393.0	462.6	4.75	6.86	.10	—	1.3	X	X
1954	Growth	8.5	250	No min.	37.8	37.4	3.22	3.85	.17	—	4.0	X	X
1977	Income	4.0	1,000	10	4.3	5.5	9.34	8.81	.554	—	6.3	X	—
1969	Performance	8.5	250	50	14.4	16.4	12.64	15.76	.06	.145	0.3	X	X
1973	Income	None	250	50	8.2	5.8	9.44	8.68	.83	—	9.6	X	X
1939	Growth	8.5	250	50	81.6	8.78	14.87	18.46	.56	.34	2.7	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Liberty Fund 522 Fifth Ave. New York, N.Y. 10036	—2.6[4]	23.6[3]	4.0[8]	—26.2[7]	—28.2[7]	29.0[5]	27.3[4]	—6.8[9]	2.2[7]	11.6[7]	17,217[8]	11,581[9]
Life Insurance Investors 700 Harrison Topeka, Kan. 66636	—6.4[6]	29.1[2]	32.3[1]	—25.7[7]	—31.4[9]	10.7[10]	42.3[1]	13.6[1]	13.7[3]	28.0[3]	26,044[3]	21,197[3]
Lindner Fund 200 So. Bemiston St. Louis, Mo. 63105	—	—	—	—	—10.7[2]	42.5[2]	52.2[1]	29.8[1]	22.8[1]	27.9[3]	44,215[1]	—
Lindner Fund for Income 200 S. Bemiston St. Louis, Mo. 63105	—	—	—	—	—	—	—	18.8[1]	14.1[3]	12.1[7]	—	—
Loomis-Sayles Capital Dev. 225 Franklin St. Boston, Mass. 02110	—3.9[5]	22.0[3]	17.1[2]	—12.7[3]	—34.7[9]	22.1[8]	18.9[7]	—0.5[6]	24.0[1]	26.8[4]	22,709[4]	17,774[5]
Loomis-Sayles Mutual Fund 225 Franklin St. Boston, Mass. 02110	2.5[3]	16.1[6]	10.4[5]	—7.2[2]	—24.4[6]	25.2[7]	15.8[8]	—4.0[4]	4.7[6]	13.3[7]	16,509[9]	15,219[7]
Lord Abbott Bond Deb. Fund 63 Wall St. New York, N.Y. 10005	—	—	6.1[7]	—9.1[2]	—4.8[1]	28.5[6]	29.8[3]	6.6[3]	2.7[7]	6.8[8]	19,501[6]	—
Lord Abbott Dev. Growth Fd. 63 Wall St. New York, N.Y. 10005	—	—	—	—	—36.1[10]	38.9[2]	19.5[7]	13.1[1]	35.4[1]	28.7[3]	32,713[2]	—
Lord Abbott Income Fund 63 Wall St. New York, N.Y. 10005	9.5[1]	11.6[8]	13.2[4]	—14.6[3]	-11.3[2]	34.1[4]	32.3[3]	2.8[4]	1.1[9]	3.9[8]	19,157[7]	20,075[3]
Lowry Fund 419 Boylston St. Boston, Mass. 02116	—	—	—	—	—	—	—	—	—3.6[10]	1.4[9]	—	—
Lutheran Brotherhood Fund 421 Seventh Ave. Pittsburgh, Pa. 15219	—	9.6[9]	11.0[5]	—14.6[3]	—20.3[5]	32.0[5]	18.9[7]	—5.1[9]	2.0[8]	15.1[7]	17,487[8]	—
Lutheran Brotherhood Inc. Fd. 421 Seventh Ave. Pittsburgh, Pa. 15219	—	—	—	—1.3[1]	—9.6[2]	19.7[8]	18.2[7]	4.9[3]	2.5[7]	3.9[8]	15,807[9]	—
Lutheran Brotherhood Mun Bd Fd 421 Seventh Ave. Pittsburgh, Pa. 15219	—	—	—	—	—	—	—	—	—5.0[10]	—4.2[10]	—	—
Lutheran Brotherh'd US Gov Sec 421 Seventh Ave. Pittsburgh, Pa. 15219	—	—	—	—	—	6.6[10]	7.7[10]	2.3[5]	2.2[7]	2.8[9]	12,339[10]	—
Magellan Fund 82 Devonshire St. Boston, Mass. 02109	—15.8[8]	33.5[1]	31.6[1]	—39.9[10]	—28.1[7]	44.3[2]	37.5[1]	14.3[1]	31.5[1]	51.3[1]	45,121[1]	28,842[1]
MagnaCap Fund 185 Cross St. Fort Lee, N.J. 07024	—	31.4[2]	10.5[5]	—43.0[10]	—27.6[7]	36.0[3]	27.4[4]	—6.1[9]	6.2[6]	27.4[4]	21,570[5]	—
Magna Income Trust 185 Cross St. Fort Lee, N.J. 07024	4.2[2]	13.8[7]	10.6[5]	—5.9[1]	—14.4[3]	24.3[7]	26.0[4]	10.0[2]	1.3[8]	4.2[8]	18,185[7]	19,212[4]
Mairs & Power Growth Fund 2062 W. 1st Nat'l Bank Bldg. St. Paul, Minn. 55101	—2.2[4]	23.2[3]	22.8[1]	—25.0[7]	—34.0[9]	36.8[3]	37.2[2]	—0.4[6]	9.9[4]	19.2[6]	24,490[3]	17,936[4]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1956	Growth/Income	None	500	25	11.0	10.2	4.06	4.30	.23	—	5.3	X	X
1954	Growth	8.5	10	10	57.0	62.6	8.94	11.10	.34	—	2.8	X	X
1973	Growth	None	1,000	100	9.1	10.8	9.04	9.90	.278	1.377	2.6	X	—
1974	Income	None	1,000	100	1.2	1.1	15.56	15.87	1.17	.402	7.2	X	—
1960	Growth	None	250	50	45.5	50.9	13.05	16.20	.35	—	2.2	X	X
1929	Balanced	None	250	50	89.8	84.7	12.83	13.81	.72	—	5.2	X	X
1971	Growth/Income	8.5	1,000	No min.	182.1	180.1	10.32	9.78	.91	.33	8.3	X	X
1973	Growth	8.5	1,000	No min.	13.6	36.5	11.46	14.00	.073	.676	0.5	X	X
1932	Income	7.25	500	No min.	37.0	33.3	3.01	2.86	.268	—	8.7	X	X
1977	Growth	1.5	10,000	1,000	2.5	2.4	47.95	44.41	4.22	—	9.4	X	—
1970	Growth/Income	8.5	50	50	28.2	27.3	9.87	10.78	.58	—	4.9	X	X
1972	Income	8.5	500	50	46.5	41.5	8.58	8.20	.715	—	8.0	X	X
1976	Income	8.5	1,000	100	30.5	23.5	9.25	8.34	.519	—	5.7	X	—
1974	Income	8.5	1,000	100	43.6	31.9	9.24	8.82	.682	—	7.1	X	X
1962	Performance	OTC	—	—	26.4	35.1	32.65	48.91	.50	—	1.0	—	—
1970	Growth	5.75	500	50	5.3	5.7	3.40	4.18	.15	—	3.4	X	X
1938	Income	5.0	500	50	6.2	6.7	8.64	8.11	.89	—	10.3	X	X
1958	Growth	None	1,000	50	13.3	14.1	13.31	15.42	.45	—	2.9	—	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Mairs & Power Income Fund 2062 W. 1st Nat'l Bank Bldg. St. Paul, Minn. 55101	7.3[1]	13.4[7]	20.8[7]	−10.2[2]	−20.8[5]	30.2[5]	32.3[1]	3.1[4]	2.6[7]	10.5[7]	19,880[6]	20,734[1]
Manhattan Fund 522 Fifth Ave. New York, N.Y. 10036	−36.9[10]	10.3[9]	−3.3[9]	−30.0[8]	−36.5[10]	17.2[9]	10.0[10]	−9.4[10]	7.3[5]	33.6[2]	16,741[8]	4,863[10]
Horace Mann Fund 1 Horace Mann Plaza Springfield, Ill. 62701	−3.6[4]	20.3[4]	18.3[2]	−10.8[2]	−24.8[6]	22.8[3]	12.2[3]	−7.7[10]	4.2[7]	24.7[4]	16,519[9]	15,207[7]
Massachusetts Fund 99 High St. Boston, Mass. 02110	2.8[3]	16.8[5]	15.4[3]	−8.4[7]	−17.5[4]	19.9[8]	21.2[6]	−0.8[8]	7.0[5]	14.8[7]	17,708[8]	18,542[4]
Mass. Capital Devel. Fund 200 Berkeley St. Boston, Mass. 02116	—	—	−17.5[7]	−27.0[8]	−29.3[8]	24.6[7]	21.0[6]	14.6[1]	19.5[2]	52.1[1]	31,403[2]	—
Mass. Financial Bond Fund 200 Berkeley St. Boston, Mass. 02116	—	—	—	—	—	14.3[9]	15.9[6]	2.4[5]	1.9[8]	1.5[9]	14,030[10]	—
Mass. Financial Devel. Fund 200 Berkeley St. Boston, Mass. 02116	—	—	10.4[5]	−19.0[5]	−31.1[9]	31.5[5]	20.3[6]	2.8[4]	11.4[3]	36.8[2]	24,783[3]	—
Mass. Financial High Income Tr. 200 Berkeley St. Boston, Mass. 02116	—	—	—	—	—	—	—	—	—	6.8[6]	—	—
MFS Managed Municipal Bond Tr. 200 Berkeley St. Boston, Mass. 02116	—	—	—	—	—	—	—	—	0.3[9]	−0.1[9]	—	—
Mass. Income Devel. Fund 200 Berkeley St. Boston, Mass. 02116	—	11.9[6]	5.5[7]	−11.1[2]	−11.1[2]	28.6[5]	27.9[1]	1.8[5]	0.8[9]	11.1[9]	18,751[7]	—
Mass. Investors Growth Stock 200 Berkeley St. Boston, Mass. 02116	−6.5[5]	23.0[1]	21.1[1]	−19.8[5]	−34.9[10]	25.2[7]	8.9[10]	−6.5[3]	13.3[1]	26.0[4]	18,897[7]	13,231[10]
Mass. Investors Trust 200 Berkeley St. Boston, Mass. 02116	0.6[3]	9.0[9]	11.0[5]	−12.5[3]	−25.5[6]	32.9[4]	23.5[2]	−12.4[10]	8.1[5]	21.6[5]	18,899[7]	14,996[7]
Mathers Fund 125 S. Wacker Dr. Chicago, Ill. 60606	2.0[3]	19.6[4]	15.8[1]	−34.5[9]	−29.7[8]	−55.4[1]	43.7[1]	13.9[1]	14.2[1]	40.3[2]	40,753[1]	26,512[1]
Mayflower Fund 8 Newbury St. Boston, Ma. 02116	—	—	—	—	—	—	—	—	—	—	—	—
Medical Technology Fund 1107 Bethlehem Park Flourtown, Pa. 19031	—	—	—	—	—	—	—	—	—	—	—	—
Merrill Lynch Basic Value Fd 165 Broadway New York, N.Y. 10080	—	—	—	—	—	—	—	—	4.0[8]	29.8[1]	—	—
Merrill Lynch Capital Fund 165 Broadway New York, N.Y. 10080	—	—	—	—	−18.2[7]	23.7[7]	12.7[9]	−7.4[9]	11.4[3]	26.1[4]	18,129[8]	—
Merrill Lynch Equi-Bond Fund 165 Broadway New York, N.Y. 10080	—	—	—	—	—	—	—	—	—	2.5[9]	—	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1961	Income	None	1,000	50	1.4	1.6	28.65	28.91	2.15	60	7.3	—	X
1966	Growth	None	500	25	43.7	52.5	2.59	3.41	.05	—	1.5	X	X
1957	Growth/Income	7.5	10	10	27.6	65.4	14.34	17.40	.48	—	10.3	X	—
1947	Balanced	8.5	1,000	10	197.2	192.7	10.54	11.39	.71	—	5.7	X	X
1970	Growth	7.25	No min.	No min.	18.9	36.2	8.85	13.17	.295	—	2.1	X	X
1974	Income	7.25	No min.	No min.	146.7	144.9	14.48	13.39	1.311	—	9.1	X	X
1971	Growth/Income	7.25	No min.	No min.	86.5	101.2	13.49	17.96	.50	—	2.6	X	X
1977	Income	7.25	No min.	No min.	10.4	43.0	7.28	7.00	.778	—	10.3	X	X
1976	Income	4.75	No min.	No min.	56.1	61.2	9.11	8.59	.512	—	5.7	—	—
1970	Income	7.25	No min.	No min.	211.8	195.2	13.29	13.71	1.06	—	7.2	X	X
1932	Growth	7.25	No min.	No min.	668.7	701.5	8.79	10.43	.262	.381	2.3	X	X
1924	Growth/Income	7.25	No min.	No min.	1,073.6	1,083.9	9.59	10.33	50.5	.329	4.2	X	X
1965	Performance	None	1,000	500	90.1	134.4	16.29	20.28	.79	1.79	3.6	—	X
1978	Performance	None	1,000	100	—	2.1	—	15.08	—	—	—	—	X
1979	Growth	None	1,000	No min.	—	0.9	—	11.03	—	—	—	X	X
1977	Growth	4.0	300	50	80.1	88.0	9.61	11.46	.55	.46	4.4	X	X
1973	Growth/Income	4.0	300	50	97.4	97.5	13.63	16.54	.65	—	3.8	X	X
1977	Growth/Income	4.0	1,000	500	17.1	14.5	9.48	9.24	.48	—	5.0	—	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Merrill Lynch High Income 165 Broadway New York, N.Y. 10080	—	—	—	—	—	—	—	—	—	2.3[9]	—	—
Merrill Lynch Mun. Bond Fund 165 Broadway New York, N.Y. 10080	—	—	—	—	—	—	—	—	−3.6[10]	−0.6[10]	—	—
Merrill Lynch Special Value 165 Broadway New York, N.Y. 10080	—	—	—	—	—	—	—	—	—	22.8[5]	—	—
MidAmerica Mutual Fund 4333 Edgewood Rd.NE Cedar Rapids, Ia. 52406	−21.2[9]	18.6[4]	16.1[3]	−29.1[8]	−25.7[7]	34.3[4]	22.7[5]	0.3[6]	10.4[4]	22.2[5]	22,295[4]	12,747[3]
Money Mkt/Options Invest. 535 Boylston St. Boston, Mass. 02116	—	—	—	—	—	—	—	−7.5[9]	10.1[4]	12.9[7]	—	—
Monthly Income Shares One Wall St. New York, N.Y. 10005	—	—	—	—	—	13.6[3]	16.9[6]	3.8[4]	0.0[8]	−2.7[10]	13,412[10]	—
MONY Fund 1740 Broadway New York, N.Y. 10019	—	29.3[2]	8.3[6]	−22.5[8]	−28.9[8]	26.6[5]	13.7[8]	−8.0[10]	3.5[7]	18.6[3]	16,255[5]	—
W.L. Morgan Growth Fund P.O. Box 1100 Valley Forge, Pa. 19842	−5.2[5]	27.9[2]	20.8[2]	−18.5[5]	−31.8[9]	42.3[2]	19.0[7]	7.2[2]	18.3[2]	16.5[5]	25,018[3]	20,368[3]
Mutual Benefit Fund 520 Broad Street Newark, N.J. 07101	—	—	5.6[7]	−19.6[5]	−25.4[6]	28.9[5]	19.6[7]	−4.3[8]	1.4[8]	11.6[7]	16,695[5]	—
Mutual Investing Fund, MIF One Nationwide Plaza Columbus, Ohio 43216	7.7[1]	9.8[3]	9.3[5]	−6.6[1]	−19.9[4]	38.0[1]	26.1[4]	−9.0[10]	0.8[5]	9.7[8]	17,510[8]	16,940[5]
Mutual Inv. Fd.-MIF Growth One Nationwide Plaza Columbus, Ohio 43216	−12.2[7]	18.1[5]	8.5[5]	−26.6[7]	−34.5[9]	41.3[2]	23.8[3]	−0.7[6]	9.9[4]	21.4[5]	23,173[4]	12,585[8]
Mutual of Omaha America 3102 Farnham St. Omaha, Neb. 68131	—	—	—	—	2.5[1]	8.3[10]	13.3[9]	1.6[5]	2.0[8]	5.2[8]	13,377[10]	—
Mutual of Omaha Growth Fund 3102 Farnham St. Omaha, Neb. 68131	3.4[2]	29.0[2]	−3.0[9]	−24.9[7]	−17.2[4]	19.4[8]	13.5[9]	−9.9[10]	2.1[8]	16.2[6]	14,487[10]	11,655[8]
Mutual of Omaha Income Fund 3102 Farnham St. Omaha, Neb. 68131	13.5[1]	16.3[6]	5.4[6]	−12.9[3]	−13.7[1]	26.5[6]	26.1[4]	0.5[5]	2.1[8]	7.0[8]	17,507[8]	18,309[4]
Mutual of Omaha Tax-Free Inc. Fd 3102 Farnham St. Omaha, Nebraska 68131	—	—	—	—	—	—	—	6.3[2]	−5.8[10]	−2.1[10]	—	—
Mutual Shares Corporation 170 Broadway New York, N.Y. 10038	−9.2[8]	22.1[1]	0.5[9]	−8.5[2]	8.6[1]	35.0[3]	55.2[1]	15.4[1]	18.3[2]	42.8[1]	40,845[1]	45,215[1]
National Aviation & Technology 50 Broad St. New York, N.Y. 10004	−4.5[5]	28.3[2]	0.9[9]	−36.6[9]	−17.3[4]	49.0[1]	34.3[2]	3.8[4]	33.7[1]	18.0[6]	32,767[2]	19,020[4]
National Industries Fund 2130 S. Dahlia St. Denver, Colo. 80222	−4.0[5]	18.0[5]	8.8[5]	−22.4[8]	−26.5[7]	34.8[4]	29.2[1]	−1.7[7]	8.0[5]	29.1[3]	23,872[4]	16,781[5]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1978	Income	4.0	1,000	100	111.8	173.1	9.54	8.73	100.6	.024	11.0	X	X
1976	Income	2.0	1,000	100	58.4	58.4	8.97	8.39	.529	—	6.2	X	X
1978	Performance	4.0	300	50	50.3	48.4	8.70	10.16	.15	.37	1.4	X	X
1959	Growth	8.5	10	10	32.4	35.9	5.20	5.89	.329	.134	5.0	X	X
1976	Performance	5.75	250	25	3.3	2.9	16.64	17.43	1.35	—	7.3	X	—
1974	Income	8.5	1,000	25	47.4	45.7	13.20	11.73	1.05	.06	8.2	X	X
1970	Growth	8.5	250	20	11.0	11.5	9.08	10.43	.335	—	2.9	X	X
1968	Growth	None	500	50	81.6	215.9	9.35	9.47	.29	1.13	2.7	X	X
1971	Growth	8.5	250	50	18.2	19.8	8.86	9.46	.43	—	4.2	X	X
1933	Growth/Income	7.5	250	25	230.2	226.4	7.55	7.86	.42	—	4.9	X	X
1961	Growth	7.5	250	25	28.0	29.4	4.21	4.98	.13	—	2.4	X	X
1973	Income	4.5	250	25	7.1	6.1	10.80	10.45	.91	—	8.3	X	X
1968	Growth	8.0	100	25	15.1	14.4	3.82	4.24	.20	—	4.3	X	X
1968	Income	8.0	25	25	24.3	22.9	8.71	8.57	.75	—	8.1	X	X
1976	Income	8.0	100	50	31.2	28.5	13.63	12.46	.88	—	6.5	X	—
1949	Growth	None	1,000	No min.	46.8	8.89	31.95	40.82	1.05	3.75	2.4	X	X
1929	Growth	None	500	No min.	136.8	85.1	31.42	34.78	1.26	1.02	3.5	X	X
1958	Growth/Income	None	250	25	22.3	27.6	11.50	14.55	.30	—	2.1	X	—

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Nat'l. Investors Corp. One Bankers Trust Plaza New York, N.Y. 10006	—8.9[6]	27.7[2]	23.7[1]	—24.4[8]	—30.0[8]	33.6[4]	20.5[6]	—2.9[7]	9.3[4]	27.8[3]	21,836[5]	16,655[6]
National Balanced Fund 605 Third Av. New York, N.Y. 10016	6.7[2]	12.2[8]	2.7[8]	—25.0[7]	—15.8[3]	40.1[2]	32.5[2]	—0.9[6]	2.7[7]	13.1[7]	21,368[5]	16,590[6]
National Bond Fund 605 Third Ave. New York, N.Y. 10016	—2.1[4]	14.3[7]	7.2[7]	—3.9[1]	—9.9[2]	19.2[8]	23.3[5]	7.2[2]	0.0[8]	2.4[9]	15,938[9]	16,446[6]
National Dividend Fund 605 Third Ave. New York, N.Y. 10016	5.1[2]	15.7[6]	5.5[6]	—15.0[3]	—12.1[2]	29.5[5]	39.6[1]	4.2[4]	5.4[5]	24.3[4]	24,690[3]	21,082[3]
National Growth Fund 605 Third Ave. New York, N.Y. 10016	1.8[3]	17.9[5]	6.4[5]	—35.9[9]	—30.1[8]	34.0[4]	18.9[7]	—6.0[9]	7.5[5]	14.3[7]	18,404[7]	10,529[10]
National Income Fund 605 Third Ave. New York, N.Y. 10016	3.3[2]	17.6[5]	7.1[7]	—12.4[3]	—10.0[2]	27.3[6]	36.0[2]	5.4[3]	5.8[6]	14.1[7]	22,028[5]	22,595[2]
National Preferred Fund 605 Third Ave. New York, N.Y. 10016	9.6[1]	16.2[6]	5.9[6]	—15.7[4]	—15.2[3]	29.0[5]	46.9[1]	2.2[5]	—0.3[9]	1.6[9]	19,618[6]	18,915[4]
National Stock Fund 605 Third Ave. New York, N.Y. 10016	6.7[2]	9.3[9]	8.1[7]	—15.5[4]	—13.3[2]	38.7[3]	33.2[2]	—3.5[8]	5.2[6]	25.1[4]	23,463[4]	21,688[2]
National Tax Exempt Bond 605 Third Ave. New York, N.Y. 10016	—	—	—	—	—	—	—	6.9[2]	—4.0[10]	—1.5[10]	—	—
Nation-Wide Securities One Wall St. New York, N. Y. 10005	10.7[1]	12.5[6]	10.7[5]	—9.2[2]	—14.2[3]	29.9[5]	25.4[4]	—2.9[7]	1.6[8]	9.9[7]	17,661[8]	18,967[4]
NEL Equity Fund 501 Boylston St. Boston, Mass. 02117	9.9[1]	17.6[5]	7.0[7]	—1.0[1]	—28.7[8]	—28.8[9]	29.1[3]	—3.3[9]	8.4[4]	24.6[4]	21,718[5]	21,200[3]
NEL Growth Fund 501 Boylston St. Boston, Mass. 02117	—9.3[6]	19.9[4]	17.8[2]	—15.3[2]	—31.9[9]	23.6[7]	18.0[7]	—0.2[6]	26.2[1]	26.9[4]	23,312[4]	17,225[5]
NEL Income Fund 501 Boylston St. Boston, Mass. 02117	—	—	—	—	—6.0[1]	11.2[10]	13.8[8]	3.8[4]	0.8[9]	—1.0[10]	13,387[10]	—
NEL Retirement Equity 501 Boylston St. Boston, Mass. 02117	—	19.0[4]	14.1[4]	—17.7[4]	—32.0[9]	26.9[6]	15.3[9]	—4.4[4]	19.8[2]	18.0[6]	19,774[6]	—
NEL Tax Exempt Bond Fund 501 Boylston St. Boston, Mass. 02117	—	—	—	—	—	—	—	—	—5.5[10]	—3.7[10]	—	—
Neuwirth Fund 14 Wall St. New York, N.Y. 10005	—19.5[9]	26.4[2]	—2.7[10]	—30.3[9]	—21.9[5]	24.8[7]	17.7[8]	—2.0[7]	9.7[4]	24.4[4]	19,644[6]	10,587[10]
New Perspective Fund 333 So. Hope St. Los Angeles, Calif. 90071	—	—	—	—	—19.0[4]	41.5[2]	15.9[8]	1.6[5]	23.7[1]	25.7[4]	25,908[3]	—
Newton Growth Fund 733 N. Van Buren St. Milwaukee, Wis. 53202	—10.7[7]	27.7[2]	20.2[2]	—37.5[9]	—25.4[8]	16.2[9]	19.4[7]	1.4[5]	8.4[4]	25.0[4]	19,065[7]	12,182[9]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1937	Growth	7.25	No min.	No min.	562.1	605.6	6.52	7.86	.17	.30	1.9	X	X
1947	Balanced	7.25	250	25	2.2	2.1	8.99	9.58	.59	—	5.7	X	X
1940	Income	7.25	250	25	137.0	131.1	4.13	3.81	.42	—	10.2	X	X
1945	Income	7.25	250	25	82.6	85.2	3.93	4.59	.295	—	6.0	X	X
1944	Growth	7.25	250	25	108.4	98.6	5.69	6.31	.195	—	2.9	X	X
1940	Income	7.25	250	25	59.1	56.5	5.39	5.69	.41	.05	6.6	X	X
1940	Income	7.25	250	25	3.8	3.2	6.75	6.25	.61	—	9.1	X	X
1944	Growth/Income	7.25	250	25	220.3	234.3	7.69	9.11	.41	.10	4.1	X	X
1976	Income	4.75	1,000	25	15.7	16.6	11.29	10.43	.689	—	6.2	X	—
1932	Balanced	8.5	500	25	44.4	40.7	8.87	9.00	.56	.19	5.6	X	X
1977	Income	8.0	250	25	8.2	90	17.29	20.61	.77	.16	3.4	X	X
1968	Growth	8.0	250	25	22.0	24.2	11.25	14.06	.22	—	1.4	X	X
1973	Income	8.0	250	25	36.0	33.6	12.90	11.64	1.13	—	8.9	X	X
1970	Growth	8.0	25	25	41.5	44.2	15.77	18.16	.45	—	2.3	X	X
1977	Income	4.5	1,000	25	11.2	10.1	8.64	7.78	.539	—	6.6	X	X
1967	Performance	None	500	50	13.7	13.5	8.95	10.81	.323	—	3.0	X	X
1973	Growth	8.5	250	50	265.2	369.9	6.06	7.27	.16	.19	2.0	X	X
1960	Growth	None	250	25	12.6	12.8	12.61	15.27	.495	—	3.2	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Newton Income Fund 733 N. Van Buren St. Milwaukee, Wis. 53202	—	11.2[8]	15.7[3]	−11.9[2]	−26.8[7]	28.0[6]	24.0[5]	−5.2[8]	0.3[9]	−0.9[10]	15,059[10]	—
New World Fund 4680 Wilshire Blvd. Los Angeles, Cal. 90010	−0.2[3]	12.8[7]	14.7[3]	−25.8[7]	−22.7[5]	32.2[4]	16.2[8]	−5.3[9]	6.2[6]	15.0[7]	17,767[8]	13,158[8]
New York Venture Fund P.O. Box 1797 Santa Fe, NM 87501	−26.3[9]	27.1[2]	22.0[1]	−24.0[6]	−20.1[4]	22.9[7]	20.6[6]	4.4[4]	20.2[1]	37.0[2]	25,481[3]	17,683[5]
Nicholas Fund 312 E. Wisconsin Ave. Milwaukee, Wis. 53202	−24.4[9]	85.5[1]	28.1[1]	−52.7[10]	−33.3[9]	47.7[1]	22.7[5]	20.3[1]	25.3[1]	30.5[3]	35,650[1]	20,205[3]
Nomura Capital Fund of Japan 100 Wall Street New York, N.Y. 10005	—	—	—	—	—	—	—	−5.8[9]	58.4[1]	−14.2[10]	—	—
Northeast Investors Trust 50 Congress St. Boston, Mass. 02109	6.7[2]	14.5[8]	9.2[6]	−0.1[1]	−7.5[1]	17.2[9]	21.1[6]	6.4[3]	−0.7[9]	−0.7[10]	14,891[10]	18,275[4]
North Star Bond Fund 600 Dain Tower Minneapolis, Minn. 55402	—	—	—	—	—	—	—	—	1.2[9]	5.8[8]	—	—
North Star Stock Fund 600 Dain Tower Minneapolis, Minn. 55402	—	—	10.4[5]	−23.8[6]	−24.1[6]	30.2[5]	24.3[5]	−0.7[6]	10.5[4]	15.7[7]	20,547[5]	—
Nuveen Municipal Bond Fund 115 So. LaSalle St. Chicago, Ill. 60603	—	—	—	—	—	—	—	7.4[2]	−0.6[9]	0.2[9]	—	—
Old Dominion Investors Fund 110 Bank St. Suffolk, Va. 23434	−5.9[2]	11.0[8]	1.4[9]	−26.3[7]	−11.3[2]	41.9[2]	41.5[1]	−1.1[7]	6.1[8]	21.5[5]	25,600[3]	19,927[3]
Omega Fund 77 Franklin St. Boston, Mass. 02110	−24.6[9]	21.4[4]	43.8[1]	−18.1[4]	−19.9[4]	13.6[9]	50.0[1]	0.3[9]	7.3[5]	35.8[2]	24,903[3]	21,504[2]
One Hundred Fund 899 Logan Street Denver, Colo. 80203	−2.4[4]	11.9[8]	1.3[9]	−26.6[7]	−34.8[9]	0.3[10]	21.9[6]	1.6[5]	11.9[3]	29.8[3]	18,043[8]	9,554[10]
One Hundred and One Fund 899 Logan Street Denver, Colo. 80203	1.0[3]	12.9[7]	5.3[4]	−10.5[2]	−19.1[4]	24.2[5]	33.2[2]	0.3[6]	0.1[9]	15.5[7]	19,184[6]	16,677[6]
One William Street Fund 55 Water Street New York, N.Y. 10041	−8.9[6]	22.7[3]	22.5[1]	−11.3[2]	−24.0[8]	21.4[8]	16.6[8]	−3.8[6]	11.0[3]	27.5[4]	19,271[6]	17,790[5]
Oppenheimer A.I.M. Fund One New York Plaza New York, N.Y. 10004	9.3[1]	33.4[1]	11.8[4]	−21.9[6]	−32.5[9]	29.1[5]	19.5[7]	−0.3[6]	13.1[3]	49.8[1]	26,061[3]	22,395[2]
Oppenheimer Directors Fund One New York Plaza New York, N.Y. 10004	—	—	—	—	—	—	—	—	—	63.3[1]	—	—
Oppenheimer Fund One New York Plaza New York, N.Y. 10004	2.0[3]	18.1[5]	10.0[5]	−23.7[6]	−25.2[6]	27.0[6]	15.7[8]	−10.3[10]	8.1[5]	37.7[2]	19,620[6]	14,837[7]
Oppenheimer High Yield 3600 S. Yosemite St. Denver, Colo. 80237	—	—	—	—	—	—	—	—	—	4.4[6]	—	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1970	Growth/Income	None	250	25	7.3	5.8	9.06	8.26	.715	—	8.7	X	X
1962	Growth/Income	None	100	25	8.5	9.0	10.91	12.04	.51	—	4.2	X	X
1969	Growth	8.5	1,000	25	37.7	49.3	13.14	15.80	.39	1.81	2.0	X	X
1969	Performance	None	500	100	40.3	48.5	10.69	13.64	.31	—	2.3	—	X
1976	Growth	7.0	500	50	16.0	11.1	14.48	8.96	.124	3.34	1.0	X	X
1950	Income	None	500	No min.	158.6	147.5	13.30	11.91	1.295	—	10.9	X	X
1977	Income	None	1,000	100	5.4	6.2	9.27	9.07	.74	—	8.2	X	X
1971	Growth/Income	None	1,000	100	6.2	8.5	8.67	9.57	.458	—	4.8	X	X
1976	Income	4.5	1,000	100	61.5	91.0	9.11	8.60	.529	—	5.9	—	—
1951	Growth/Income	1.0	10	No min.	3.0	3.3	16.66	18.55	1.70	—	9.1	X	—
1968	Performance	OTC	—	—	25.1	28.6	10.39	13.94	.17	—	1.2	—	—
1966	Growth	None	250	50	11.1	11.7	8.20	10.46	.18	—	1.7	X	X
1966	Growth/Income	None	250	50	1.3	1.2	8.56	9.40	.47	—	5.0	X	X
1958	Growth/Income	None	250	50	246.6	282.2	14.84	17.63	.52	.77	2.9	X	X
1969	Performance	8.5	250	25	141.5	174.6	10.32	15.15	.31	—	1.8	X	X
1978	Performance	4.0	50,000	1,000	—	14.8	9.60	15.68	—	—	0.0	X	—
1958	Performance	8.5	250	25	291.8	312.6	5.97	8.02	.20	—	2.3	X	X
1978	Income	6.75	2,500	No min.	47.8	87.8	22.41	20.88	2.52	—	11.3	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Oppenheimer Income Fd. Boston One New York Plaza New York, N.Y. N.Y. 10004	—	—	—	−8.8[2]	−10.0[2]	19.4[6]	23.5[5]	4.8[3]	0.7[9]	7.1[8]	16,910[6]	—
Oppenheimer Option Inc. Fund One New York Plaza New York, N.Y. 10004	—	—	—	—	—	—	—	—	6.6[5]	11.1[7]	—	—
Oppenheimer Special Fund One New York Plaza New York, N.Y. 10004	—	—	—	—	−12.1[1]	92.0[1]	40.2[1]	20.0[1]	18.2[2]	35.1[2]	51,582[1]	—
Oppenheimer Tax Free Bond Fd. One New York Plaza New York, N.Y. 10004	—	—	—	—	—	—	—	6.0[3]	−4.9[10]	−3.1[10]	—	—
Oppenheimer Time Fund One New York Plaza New York, N.Y. 10004	—	—	21.9[1]	43.4[10]	−44.1[10]	58.5[1]	32.7[2]	15.0[1]	18.9[2]	40.9[2]	40,523[1]	—
Over-The-Counter Securities Fd. Plymouth & Walnut Ave. Oreland, Pa. 19075	−10.3[7]	15.8[5]	14.1[3]	−15.0[3]	7.9[1]	23.0[7]	37.9[1]	21.5[1]	30.2[1]	54.4[1]	41,429[1]	38,441[1]
Pace Fund 2777 Allen Parkway Houston, Tex. 77019	−35.7[10]	41.9[1]	18.0[2]	−42.5[10]	−15.4[3]	34.2[4]	27.8[3]	28.6[1]	23.5[1]	43.4[1]	39,457[1]	20,665[3]
Paramount Mutual Fund 1888 Century Park E. Los Angeles, Cal. 90067	17.8[1]	13.7[7]	12.7[4]	−21.7[5]	−20.1[4]	−44.1[2]	37.0[2]	2.4[5]	13.0[3]	27.6[3]	29,148[2]	27,527[1]
Partners Fund 522 Fifth Ave. New York, N.Y. 10036	−8.6[6]	13.5[7]	−8.3[10]	−26.5[7]	3.2[1]	17.9[9]	30.9[3]	6.9[2]	16.4[2]	42.4[1]	27,346[2]	19,733[3]
Pax World Fund 224 State St. Portsmouth, N.H. 03801	—	—	1.0[9]	−19.7[5]	−16.2[3]	33.4[4]	24.7[4]	2.3[5]	−0.3[9]	18.7[6]	20,141[5]	—
Penn Square Mutual Fund 451 Penn Square Reading, Pa. 19603	5.5[2]	7.2[9]	7.5[7]	−8.6[2]	−17.3[4]	48.8[1]	32.9[2]	−6.1[9]	3.7[7]	20.5[5]	23,204[1]	21,324[3]
Pennsylvania Mutual Fund 127 John St. New York, N.Y. 10038	−53.8[10]	4.2[10]	−3.5[9]	−48.5[10]	−46.0[10]	121.1[1]	49.0[1]	23.7[1]	15.7[2]	35.6[2]	63,935[1]	8,257[10]
Philadelphia Fund 110 Wall St. New York, N.Y. 10015	−4.4[5]	21.3[1]	16.9[2]	−22.4[6]	−20.9[5]	35.4[3]	31.5[3]	3.9[4]	24.6[1]	26.6[4]	29,180[2]	24,282[2]
Phoenix Capital Fund One American Row Hartford, Conn. 06115	—	—	—	−20.2[5]	−14.4[3]	17.2[9]	18.4[7]	−7.2[9]	7.3[5]	32.2[2]	18,266[2]	—
Phoenix Fund One American Row Hartford, Conn. 06115	—	11.7[8]	4.2[8]	−10.8[2]	−10.4[2]	23.8[7]	25.5[4]	2.4[5]	3.3[7]	12.7[7]	19,238[6]	—
Pilgrim Fund 185 Cross Street Fort Lee, N.J. 07024	−4.8[5]	26.6[2]	11.0[5]	−39.5[10]	−30.1[8]	45.3[1]	28.0[3]	11.8[2]	21.1[1]	35.5[2]	34,119[2]	19,304[4]
Pilot Fund 711 Polk Street Houston, Tex. 77022	−6.5[6]	21.3[4]	4.6[8]	−9.5[2]	−19.5[4]	22.6[9]	23.6[5]	−1.8[7]	3.6[7]	25.7[4]	19,377[6]	16,748[6]
Pine Street Fund 14 Wall St. New York, N.Y. 10005	10.9[1]	14.5[7]	9.0[6]	−11.0[2]	−14.6[3]	29.4[6]	25.1[4]	−3.4[8]	4.9[6]	19.5[5]	19,601[5]	20,620[3]
Pioneer Bond Fund 60 State St. Boston, Mass. 02109	—	—	—	—	—	—	—	—	—	2.0[9]	—	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1972	Income	8.5	1,000	25	48.5	43.4	7.91	7.79	.68	—	8.0	X	X
1977	Income	8.5	2,500	No min.	69.0	65.9	22.45	22.42	.89	1.63	3.4	—	—
1972	Performance	8.5	5,000	1,000	21.1	56.5	14.97	16.83	.39	3.01	1.8	X	—
1976	Income	None	1,000	25	48.2	41.1	9.41	8.55	.57	—	6.7	X	—
1971	Performance	8.1	250	25	61.8	75.0	9.79	13.49	.30	—	2.0	X	X
1955	Growth	8.0	No min.	No min.	16.2	29.2	15.85	23.41	.52	.55	2.0	X	X
1969	Performance	8.5	500	50	16.6	18.7	15.77	20.91	.73	.97	3.1	X	X
1958	Growth	8.0	100	25	9.3	10.5	8.85	9.76	.38	1.15	3.2	X	X
1968	Growth	None	250	No min.	27.8	38.9	11.04	15.26	.46	—	3.0	X	X
1971	Growth/Income	None	250	50	1.9	2.5	8.34	9.33	.47	.10	5.0	X	X
1958	Growth	None	100	30	140.1	146.2	7.17	7.90	.39	.35	4.7	X	X
1962	Performance	None	500	50	41.9	42.5	5.07	6.78	.095	—	1.4	X	X
1923	Growth/Income	8.5	No min.	No min.	89.9	94.9	7.79	9.04	.30	.52	2.9	X	X
1972	Growth	8.5	250	25	7.6	9.3	8.04	10.33	.299	—	2.6	X	X
1970	Income	8.5	250	25	15.3	17.1	9.01	9.38	.635	.141	6.1	X	X
1964	Growth	5.0	250	25	16.1	19.2	11.11	14.68	.37	—	2.4	X	X
1966	Performance	None	2,000	50	18.1	19.4	8.06	9.88	.19	.065	1.9	X	X
1949	Growth/Income	None	500	25	38.6	40.6	10.02	11.15	.605	.22	5.3	X	X
1978	Income	8.5	1,000	100	1.1	5.0	10.09	9.37	.906	.014	8.8	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Pioneer Fund 60 State St Boston, Mass. 02109	0.7[3]	13.2[7]	14.9[3]	—3.4[1]	—17.2[4]	38.1[3]	35.9[2]	3.4[4]	11.5[3]	26.7[4]	27,415[3]	28,721[1]
Pioneer II 60 State St. Boston, Mass. 02109	—7.1[6]	24.6[3]	20.3[2]	—8.0[2]	—21.4[5]	49.8[1]	59.7[1]	22.9[1]	14.8[2]	31.4[3]	44,352[1]	44,660[1]
Planned Investment Fund 50 Congress Street Boston, Mass. 02109	—11.9[7]	19.6[4]	4.8[6]	—26.7[7]	—9.7[2]	18.3[6]	25.8[4]	2.0[5]	—1.0[9]	28.1[3]	22,116[5]	14,071[6]
PLIGROWTH Fund 111 N. Broad St. Philadelphia, Pa. 19107	—4.1[5]	20.0[4]	18.8[2]	—23.5[6]	—19.9[4]	23.0[7]	23.9[5]	—9.1[10]	6.9[5]	24.7[4]	18,467[7]	15,469[6]
PLITREND 111 N. Broad St. Philadelphia, Pa. 19107	—10.0[7]	14.8[6]	13.4[4]	—17.1[4]	—31.9[9]	36.9[3]	35.8[2]	17.2[1]	22.8[1]	45.9[1]	39,039[1]	25,821[1]
PLIYIELD 111 N. Broad St. Philadelphia, Pa. 19107	—	—	—	—	—	—	19.6[7]	4.9[3]	0.6[9]	2.9[9]	—	—
T. Rowe Price Growth Stock 100 E. Pratt St. Baltimore, Md. 21202	—7.9[4]	31.3[2]	15.4[3]	—24.4[6]	—32.0[9]	34.9[3]	12.8[9]	—7.0[9]	11.2[3]	11.1[7]	17,428[8]	12,542[9]
Rowe Price New Era Fund 100 E. Pratt St. Baltimore, Md. 21202	--0.8[4]	10.5[8]	20.3[2]	—2.0[1]	—25.7[8]	20.7[8]	20.9[8]	—4.0[8]	11.2[3]	56.2[1]	24,332[4]	23,363[7]
Rowe Price New Horizons Fund 100 E. Pratt St. Baltimore, Md. 21202	11.6[7]	53.0[1]	21.4[1]	—40.0[10]	—38.3[10]	38.9[2]	11.0[10]	12.6[2]	20.5[1]	35.0[2]	28,243[2]	17,168[5]
Rowe Price New Income Fund 100 E. Pratt St. Baltimore, Md. 21202	—	—	—	—	0.9[1]	11.2[10]	14.0[9]	5.4[3]	4.3[8]	7.6[8]	14,995[10]	—
Rowe Price Tax-Free Inc. Fd. 100 E. Pratt St. Baltimore, Md. 21202	—	—	—	—	—	—	—	6.1[3]	—2.1[10]	1.8[9]	—	—
PRO Fund 1107 Bethlehem Pk. Flourtown, Pa. 19031	—6.7[8]	19.2[4]	8.8[6]	—37.5[9]	—37.9[10]	20.4[8]	17.1[8]	7.3[2]	15.1[2]	24.4[4]	21,663[5]	10,174[10]
PRO Income Fund 1107 Bethlehem Pk. Flourtown, Pa. 19031	—	—	—	—	—	7.5[10]	10.8[10]	6.6[3]	3.5[7]	—1.4[10]	12,958[10]	—
Progress Fund 100 N. Minnesota St. New Ulm, Minn. 56073	—0.4[4]	29.4[2]	12.3[4]	—30.8[8]	—37.7[10]	25.8[5]	18.0[7]	—3.1[7]	15.9[2]	29.0[3]	21,506[5]	13,419[8]
Provident Fund for Income 349 Lancaster Ave. Haverford, Pa. 19041	3.8[2]	27.1[2]	1.4[9]	—15.3[3]	—12.9[2]	27.7[6]	26.8[4]	3.0[4]	1.3[8]	9.4[8]	18,482[7]	18,241[4]
Puritan Fund 80 Devonshire St. Boston, Mass. 02109	6.3[2]	13.0[7]	10.6[5]	—7.2[2]	—11.8[2]	31.5[5]	29.6[3]	0.8[5]	4.6[6]	14.5[7]	20,575[5]	22,372[2]
Puritan Convertible Fund 265 Franklin St. Boston, Mass. 02110	—	—	—	—7.8[2]	—12.8[2]	25.8[6]	26.2[4]	0.1[6]	8.7[4]	17.9[6]	20,357[6]	—
George Putnam Fd. of Boston 265 Franklin St. Boston, Mass. 02110	2.5[3]	17.8[5]	19.5[2]	—10.5[2]	—22.4[5]	25.8[7]	23.9[5]	—3.6[8]	5.6[6]	14.8[7]	18,216[7]	18,254[4]
Putnam Growth Fund 265 Franklin St. Boston, Mass. 02110	—3.8[5]	20.0[4]	19.1[2]	—14.2[3]	—22.1[5]	28.6[6]	22.9[5]	0.3[8]	12.7[3]	20.7[5]	21,563[5]	19,816[3]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1928	Growth/Income	8.5	250	25	547.1	694.3	14.66	17.49	.60	.48	3.1	X	X
1969	Growth	8.5	250	25	121.2	206.7	8.66	10.42	.36	.60	3.0	X	X
1960	Growth	8.0	No min.	No min.	1.6	2.2	11.40	14.60	—	—	0.0	X	X
1954	Growth	8.5	No min.	No min.	16.6	18.2	10.52	12.62	.445	.055	3.2	X	X
1954	Growth	8.5	No min.	No min.	11.8	16.6	9.77	11.92	.33	2.005	2.2	X	X
1975	Income	8.5	No min.	No min.	4.1	4.3	10.11	9.50	.87	.025	8.4	X	X
1950	Growth	None	500	50	974.8	942.9	11.12	12.02	.331	—	2.8	X	X
1969	Growth	None	1,000	100	189.7	330.8	11.66	17.45	.408	.36	2.3	X	X
1960	Performance	None	1,000	100	441.9	604.8	9.75	13.01	.157	—	1.2	X	X
1973	Income	None	1,000	100	281.8	309.7	9.66	9.22	1.177	—	12.8	X	X
1976	Income	None	1,000	100	209.0	219.8	9.54	9.20	.513	—	5.6	X	—
1967	Growth	None	300	No min.	35.3	41.7	6.69	8.01	.31	—	3.9	X	X
1974	Income	None	300	No min.	17.7	19.9	9.96	8.94	.86	—	9.6	X	X
1969	Growth	8.5	No min.	No min.	4.5	4.6	4.51	5.74	.08	—	1.3	X	X
1960	Income	7.25	500	50	124.5	117.7	3.60	3.66	.28	—	7.1	X	X
1946	Income	None	50	50	673.9	670.8	9.93	10.41	.70	.26	6.6	X	X
1972	Income	8.5	500	50	15.6	15.9	11.80	12.60	.65	.66	4.5	X	X
1937	Balanced	8.5	500	50	261.7	257.3	12.81	13.54	.76	.41	5.0	X	X
1957	Growth	8.5	500	50	564.7	598.4	10.89	11.96	.525	.66	3.8	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Putnam High Yield Trust 265 Franklin St. Boston, Mass. 02110	—	—	—	—	—	—	—	—	—	3.0[9]	—	—
Putnam Income Fund 265 Franklin St. Boston, Mass. 02110	7.2[2]	13.6[7]	10.4[5]	−2.3[1]	−7.6[2]	16.6[9]	20.0[7]	3.4[4]	1.6[8]	−1.6[10]	14,464[10]	17,555[5]
Putnam Int'l Equities Fund 265 Franklin Street Boston, Mass. 02110	−23.6[9]	33.0[1]	21.0[1]	−25.7[7]	−20.5[5]	25.7[7]	23.9[5]	1.0[6]	22.2[1]	19.6[5]	22,481[4]	16,327[6]
Putnam Investors Fund 265 Franklin St. Boston, Mass. 02110	−2.8[4]	32.1[1]	26.0[1]	−11.6[2]	−25.4[6]	21.2[8]	20.3[6]	−3.4[8]	11.6[3]	19.0[6]	18,705[7]	20,272[3]
Putnam Option Income Trust 265 Franklin St. Boston, Mass. 02110	—	—	—	—	—	—	—	—	6.4[5]	13.2[7]	—	—
Putnam Tax Exempt Income Fund 265 Franklin St. Boston, Mass. 02110	—	—	—	—	—	—	—	6.7[3]	−6.9[10]	1.0[9]	—	—
Putnam Vista Fund 265 Franklin St. Boston, Mass. 02110	−21.0[8]	20.3[4]	36.4[1]	−24.5[7]	−25.8[7]	32.2[5]	22.7[5]	−2.4[7]	17.6[2]	30.8[3]	24,351[3]	17,685[5]
Putnam Voyager Fund 265 Franklin St. Boston, Mass. 02110	−24.2[9]	33.8[1]	41.0[1]	−16.7[4]	−25.4[6]	41.5[2]	28.0[3]	5.4[3]	15.5[2]	35.7[2]	29,921[2]	26,589[1]
Qualified Div. Portfolio I P. O. Box 1100 Valley Forge, Pa. 19482	—	—	—	—	—	—	43.6[1]	5.0[3]	6.1[8]	16.6[8]	—	—
Qualified Div. Portfolio II P. O. Box 1100 Valley Forge, Pa. 19482	—	—	—	—	—	—	12.4[9]	6.6[3]	−1.7[10]	1.7[10]	—	—
Rainbow Fund 55 Water Street New York, N.Y. 10041	−34.9[10]	−4.3[10]	0.6[9]	−54.5[10]	−30.4[8]	27.7[6]	30.1[3]	19.9[1]	0.0[9]	31.8[3]	25,941[3]	5,149[10]
Research Capital Fund 155 Bovet Road San Mateo, Calif. 94402	−48.7[10]	33.4[1]	11.9[4]	−26.7[7]	3.8[1]	−21.5[10]	−30.5[10]	31.9[1]	9.9[4]	138.2[1]	18,838[7]	10,976[10]
Research Equity Fund 155 Bovet Road San Mateo, Calif. 94402	−27.5[9]	18.8[4]	18.1[2]	−22.8[5]	−27.2[7]	13.3[9]	14.3[9]	9.5[2]	7.5[5]	29.6[3]	19,757[5]	11,296[9]
Revere Fund 123 S. Broad St. Philadelphia, Pa. 19109	−23.6[9]	18.1[5]	1.0[9]	−43.4[10]	−25.0[6]	7.4[10]	31.5[3]	−3.8[8]	1.7[8]	30.8[3]	18,009[8]	6,992[10]
Rochester Fund 183 E. Main St. Rochester, N.Y. 14604	−10.7[7]	17.3[5]	18.9[2]	−25.5[7]	−41.0[10]	47.1[1]	17.7[8]	7.0[2]	−0.8[9]	7.1[8]	19, 683[6]	10,775[10]
St. Paul Capital Fund P.O. Box 43284 Minneapolis, Minn. 55164	−5.7[5]	23.9[3]	16.0[3]	−18.1[4]	−19.9[4]	17.2[9]	21.5[6]	−7.7[10]	15.2[2]	28.8[3]	19,502[6]	17,339[5]
St. Paul Growth Fund P.O. Box 43284 Minneapolis, Minn. 55164	−11.7[7]	26.6[2]	19.8[2]	−24.7[7]	−19.0[4]	17.8[9]	29.8[3]	2.5[4]	27.5[1]	37.7[2]	27,516[3]	22,477[2]
St. Paul Income Fund P.O. Box 43284 Minneapolis, Minn. 55164	—	—	—	—	—	—	17.6[8]	4.2[4]	2.2[7]	-1.0[10]	—	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1977	Income	6.75	500	50	112.9	216.2	17.54	16.15	1.92	—	11.1	X	X
1954	Income	8.5	500	50	176.1	154.3	7.29	6.58	.594	—	8.3	X	X
1967	Performance	8.5	500	50	39.2	38.6	12.60	14.48	.525	—	3.3	X	X
1925	Growth	8.5	500	50	407.5	437.0	7.50	8.22	.285	.42	3.0	X	X
1977	Income	8.5	500	50	82.0	85.2	13.14	13.40	.44	1.03	2.8	X	X
1976	Income	4.75	500	50	33.9	32.7	21.59	20.43	1.37	—	6.4	X	—
1968	Performance	8.5	500	50	55.1	59.8	12.21	15.38	.59	—	3.5	X	X
1969	Performance	8.5	500	50	46.9	61.9	11.25	12.91	.535	1.825	3.4	X	X
1975	Income	None	3,000	50	13.4	17.3	11.53	11.81	1.00	.63	8.0	X	X
1975	Income	None	3,000	50	19.2	17.7	8.89	7.90	.84	—	10.6	X	X
1967	Performance	None	300	50	1.4	1.7	2.23	2.94	—	—	0.0	X	X
1969	Gold	7.25	100	25	22.4	43.7	3.09	7.05	.31	—	4.1	X	X
1933	Growth	7.25	100	25	58.5	62.9	3.78	4.75	.15	—	2.9	X	X
1959	Performance	None	50	25	4.3	14.8	5.30	6.83	.10	—	1.5	X	X
1968	Growth	None	250	50	0.8	0.8	9.64	10.20	.12	—	1.2	X	X
1949	Growth/Income	8.5	250	25	38.9	42.4	8.62	10.84	.265	—	2.3	X	X
1963	Performance	8.5	250	25	16.7	21.4	9.78	12.30	.141	1.025	1.0	X	X
1973	Income	8.5	250	25	6.9	6.9	10.13	9.19	.84	—	8.6	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
St. Paul Special P.O. Box 43284 Minneapolis, Minn. 55164	—	—	—	—	—	—	16.9[6]	—4.1[8]	22.1[1]	35.2[2]	—	—
SAFECO Equity Fund SAFECO Plaza Seattle, Wash. 98185	3.1[2]	14.1[7]	13.0[4]	—15.4[4]	—26.6[7]	48.4[1]	35.0[2]	4.9[3]	10.7[3]	25.9[4]	29,290[2]	23,444[2]
SAFECO Growth Fund SAFECO Plaza Seattle, Wash. 98185	—25.1[9]	20.2[4]	1.4[9]	—38.5[9]	—29.4[8]	52.1[1]	58.7[1]	16.0[1]	18.0[2]	33.7[2]	44,174[1]	17,510[5]
SAFECO Income Fund SAFECO Plaza Seattle, Wash. 98185	8.5[1]	13.4[7]	13.1[4]	—15.0[3]	—14.9[3]	37.4[3]	33.7[2]	2.2[5]	1.8[8]	20.5[5]	23,031[4]	23,183[2]
SAFECO Special Bond Fund SAFECO Plaza Seattle, Wash. 98185	—	—	7.7[7]	—36.3[9]	—15.4[3]	54.1[1]	10.8[10]	—0.1[6]	1.0[9]	4.3[8]	17,969[6]	—
Salem Fund 82 Devonshire St. Boston, Mass. 02109	—15.6[8]	9.8[6]	2.8[8]	—33.8[9]	—23.0[5]	39.7[2]	37.4[1]	2.8[4]	6.0[6]	30.4[3]	27,274[3]	13,707[6]
Schuster Fund 522 Fifth Avenue New York, N.Y. 10036	—6.2[5]	17.2[5]	2.7[5]	—33.7[9]	—32.7[9]	19.8[6]	30.9[3]	14.5[1]	17.4[2]	28.1[3]	27,004[3]	13,604[6]
Scudder Common Stock 175 Federal Street Boston, Mass. 02110	10.7[1]	17.6[5]	17.9[2]	—19.9[5]	30.4[6]	34.3[4]	24.8[4]	—1.6[7]	10.7[3]	22.9[5]	22,440[4]	15,489[6]
Scudder Development Fund 345 Park Ave. New York, N.Y. 10022	—	—	31.1[1]	—46.1[10]	—47.1[10]	77.9[1]	22.7[5]	25.0[1]	30.0[1]	29.7[3]	46,005[1]	—
Scudder Income Fund 175 Federal Street Boston, Mass. 02110	1.9[3]	16.6[5]	14.4[3]	—13.0[3]	—22.8[5]	23.2[7]	23.8[5]	0.2[6]	0.7[9]	1.4[9]	15,604[9]	14,248[8]
Scudder International Inv. 345 Park Ave. New York, N.Y. 10022	—6.5[6]	8.4[10]	28.6[1]	—7.3[2]	—24.5[6]	29.3[5]	6.1[10]	—0.5[6]	21.4[1]	18.4[6]	19,621[6]	17,568[5]
Scudder Managed Munic. Bonds 175 Federal Street Boston, Mass. 02110	—	—	—	—	—	—	4.9[3]	—2.5[10]	0.5[9]	—		—
Scudder Special Fund 345 Park Ave. New York, N.Y. 10022	—5.4[5]	19.9[4]	13.3[4]	—36.3[9]	—33.3[9]	30.9[5]	23.9[5]	7.7[2]	20.8[1]	26.2[4]	26,629[3]	14,540[7]
Scudder Tax-Free Money Fund 175 Federal St. Boston, Ma. 02110	—	—	—	—	—	—	—	—	—	—	—	—
Security Bond Fund 700 Harrison St. Topeka, Kans. 66636	—	2.9[10]	4.7[8]	5.0[1]	6.2[1]	15.2[8]	17.7[8]	—7.4[2]	1.8[8]	1.2[9]	15,002[10]	—
Security Equity Fund 700 Harrison St. Topeka, Kans. 66636	—16.4[8]	29.2[2]	14.5[3]	—23.5[6]	—23.8[6]	29.8[5]	33.1[3]	—0.2[6]	12.6[3]	33.3[2]	25,880[3]	18,674[4]
Security Investment Fund 700 Harrison St. Topeka, Kans. 66636	15.9[1]	16.7[5]	7.3[7]	—15.6[4]	—13.0[2]	33.2[4]	34.9[2]	7.7[2]	1.4[8]	30.0[3]	25,510[3]	27,175[1]
Security Ultra Fund 700 Harrison St. Topeka, Kans. 66636	—10.3[7]	47.1[1]	19.0[2]	—41.6[10]	—26.4[7]	48.4[1]	54.9[1]	3.0[4]	22.4[1]	56.2[1]	45,268[1]	30,552[1]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1965	Performance	None	250	25	5.4	6.3	13.23	17.70	.19	—	1.1	X	X
1932	Growth/Income	8.5	25	25	28.7	32.4	8.91	10.31	.438	.473	3.7	X	X
1967	Growth	8.5	25	25	28.1	35.5	11.14	13.88	.453	.564	2.9	X	X
1969	Income	8.5	25	25	5.0	5.6	9.33	10.29	.71	.238	6.2	X	X
1971	Income	3.0	25	25	1.3	1.5	7.55	7.29	.583	—	7.3	X	X
1954	Growth	None	50	50	43.6	45.9	4.97	6.30	.18	—	2.9	X	X
1967	Growth	None	500	25	12.8	12.7	9.77	12.40	.12	—	1.0	X	—
1929	Growth	None	500	No min.	130.5	134.3	10.07	11.99	.39	—	3.3	X	X
1970	Performance	None	2,000	No min.	31.5	39.9	26.68	34.16	.45	—	1.3	—	—
1928	Income	None	500	No min.	61.7	56.4	13.17	12.21	1.15	—	9.4	X	X
1953	Growth	None	1,000	500	18.1	25.9	15.37	16.35	.493	1.356	2.8	—	—
1976	Income	None	1,000	No min.	109.8	121.7	9.60	9.12	.526	—	5.8	X	—
1956	Performance	None	500	No min.	91.4	97.6	30.69	38.02	.72	—	1.9	X	X
1980	Income	None	1,000	No min.	—	—	—	—	—	—	—	X	—
1970	Income	2.75	1,000	100	23.0	24.6	9.36	8.64	.83	—	9.3	X	X
1962	Growth	8.5	100	10	96.0	112.4	4.35	5.59	.16	.05	2.6	X	X
1944	Growth/Income	8.5	100	100	64.3	83.7	6.81	8.19	.54	.12	6.0	X	X
1969	Performance	8.5	100	10	16.7	25.0	10.11	13.44	.17	2.18	1.0	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Selected American Shares 111 W. Washington St. Chicago, Ill. 60602	—3.6[4]	19.1[4]	6.2[7]	—25.5[7]	—22.2[5]	25.8[6]	20.4[6]	—0.3[6]	3.3[7]	8.7[8]	16,957[8]	12,116[9]
Selected Special Shares 111 W. Washington St. Chicago, Ill. 60602	—10.5[7]	15.1[6]	—0.4[8]	—19.3[5]	—14.9[3]	16.3[3]	15.6[3]	—6.6[9]	1.3[8]	26.0[4]	16,026[9]	11,293[8]
Selected Tax Exempt Bd. Fund 111 W. Washington St. Chicago, Ill. 60602	—	—	—	—	—	—	—	—	—7.7[10]	—6.0[10]	—	—
Sentinel Apex Fund One Exchange Place Jersey City, N.J. 07302	—12.8[7]	22.9[3]	—1.8[5]	—40.3[10]	—40.0[10]	37.2[3]	11.7[10]	—4.3[6]	1.6[8]	3.5[9]	15,423[9]	5,813[10]
Sentinel Balanced Fund One Exchange Place Jersey City, N.J. 07302	6.3[2]	10.8[8]	7.9[6]	—4.9[1]	—7.1[1]	21.2[8]	22.9[5]	1.3[5]	—1.6[10]	13.6[7]	16,866[8]	18,937[4]
Sentinel Bond Fund One Exchange Place Jersey City, N.J. 07302	13.0[1]	8.2[9]	8.0[6]	—6.7[1]	—20.4[5]	21.7[8]	19.6[7]	3.4[4]	1.5[8]	0.2[8]	15,238[10]	14,943[7]
Sentinel Common Stock Fund One Exchange Place Jersey City, N.J. 07302	8.2[1]	9.2[9]	8.9[6]	—10.0[2]	—12.5[2]	33.5[4]	27.4[4]	—2.4[7]	1.9[6]	20.9[5]	20,449[5]	20,722[3]
Sentinel Growth Fund One Exchange Place Jersey City, N.J. 07302	—17.5[8]	14.5[7]	19.6[2]	4.3[1]	—29.4[8]	24.5[7]	8.9[10]	—5.2[9]	10.0[4]	25.6[4]	17,757[6]	14,772[7]
Sentry Fund 1800 North Point Dr. Stevens Pt., Wis. 54481	—	28.9[2]	23.2[1]	—32.3[9]	—21.8[5]	27.7[8]	15.7[8]	2.3[5]	14.5[2]	29.5[3]	22,412[4]	—
Sequoia Fund 540 Madison Ave. New York, N.Y. 10022	—	13.0[7]	3.9[8]	—23.0[6]	—17.7[4]	61.6[1]	70.8[1]	19.3[1]	23.5[1]	11.9[7]	45,506[1]	—
Shareholders' Trust of Boston 535 Boylston St. Boston, Mass. 02116	1.7[3]	21.2[4]	0.2[9]	—17.1[4]	—24.4[6]	35.2[3]	24.3[5]	—3.3[8]	4.7[6]	12.6[7]	19,157[7]	14,828[7]
Shearson Appreciation Fund 505 Park Avenue New York, N.Y. 10022	—	17.0[5]	—0.2[9]	—26.4[7]	—23.6[6]	17.5[9]	20.3[6]	—3.3[8]	21.3[1]	44.1[1]	23,892[4]	—
Shearson Income Fund 505 Park Avenue New York, N.Y. 10022	—	—	7.1[7]	—5.9[1]	—4.7[1]	16.7[9]	24.7[5]	3.1[4]	—0.8[9]	7.1[8]	15,940[9]	—
Shearson Investors Fund 505 Park Avenue New York, N.Y. 10022	—	—	2.1[8]	—18.3[5]	—18.1[4]	18.1[9]	36.3[2]	—8.1[10]	9.8[4]	28.9[3]	20,936[5]	—
Sherman Dean Fund 120 Broadway New York, N.Y. 10005	—21.0[9]	5.8[10]	—17.7[10]	—35.4[9]	24.8[1]	20.4[8]	31.3[3]	2.5[4]	28.3[1]	36.4[2]	28,013[2]	15,535[6]
Sierra Growth Fund 1880 Century Pk. E. Los Angeles, Cal. 90067	—2.1[4]	16.8[5]	9.3[5]	—29.3[8]	—34.8[9]	45.0[1]	28.5[3]	4.3[4]	11.8[3]	27.9[3]	27,791[2]	15,967[6]
Sigma Capital Shares 3801 Kennett Pike Wilmington, Del. 18907	—20.0[6]	22.5[3]	13.2[4]	—38.9[10]	—28.9[8]	56.9[1]	35.3[2]	5.3[3]	8.2[4]	28.3[3]	31,028[2]	14,954[7]
Sigma Income Shares 3801 Kennett Pike Wilmington, Del. 18907	—	—	—	—	—	6.6[10]	11.1[10]	3.6[4]	2.6[7]	0.5[9]	12,652[10]	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1933	Growth/Income	None	200	50	96.8	86.4	6.84	7.00	.435	—	6.2	X	X
1967	Growth	None	200	50	36.1	36.3	12.46	15.25	.45	—	3.0	X	X
1977	Income	None	1,000	100	2.8	1.8	17.51	15.37	1.094	—	7.1	X	—
1933	Growth	8.5	10	No min.	7.0	6.2	3.59	3.60	.115	—	2.9	X	X
1938	Balanced	8.5	10	No min.	13.5	12.9	7.00	7.44	.51	—	6.3	X	X
1969	Income	8.0	250	50	7.9	9.0	7.24	6.61	.644	—	8.9	X	X
1933	Growth/Income	8.5	10	No min.	250.9	261.7	10.92	12.19	.735	.28	5.4	X	X
1969	Growth	8.0	250	50	13.3	15.3	8.70	10.22	.255	.45	2.2	X	X
1970	Growth	8.0	200	50	13.3	16.9	14.10	17.48	.465	.315	2.4	X	X
1970	Performance	None	1,000	50	62.0	90.8	22.27	24.30	.58	.045	2.4	X	—
1948	Balanced	8.5	250	25	42.7	37.8	7.00	7.56	.32	—	3.9	X	—
1970	Growth	8.5	300	50	9.6	10.6	20.42	29.12	.31	—	1.0	X	X
1971	Income	8.5	300	50	6.8	6.1	17.12	16.98	1.35	—	7.3	X	X
1971	Growth/Income	8.5	300	50	5.3	5.4	10.21	12.78	.38	—	2.7	X	X
1968	Performance	None	1,000	100	3.9	4.5	21.69	29.58	—	—	0.0	—	—
1956	Growth	None	100	25	3.9	4.0	9.89	12.32	.32	—	2.6	X	—
1967	Performance	8.5	No min.	No min.	19.8	20.4	9.74	12.20	.295	—	2.2	X	X
1974	Income	8.5	No min.	No min.	18.9	19.5	8.81	8.08	.772	—	8.7	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Sigma Investment Shares 3801 Kennett Pike Wilmington, Del. 18907	2.0[3]	16.2[6]	15.9[3]	—18.5[5]	—21.7[5]	40.3[2]	25.1[4]	—4.8[9]	6.7[3]	17.1[6]	20,878[5]	18,301[4]
Sigma Trust Shares 3801 Kennett Pike Wilmington, Del. 18907	2.6[3]	12.4[9]	12.2[4]	—17.7[4]	—8.2[1]	26.1[6]	29.2[3]	5.4[3]	5.3[6]	9.3[8]	19,764[6]	19,320[4]
Sigma Venture Shares 3801 Kennett Pike Wilmington, Del. 18907	—	29.7[2]	21.5[1]	—45.0[10]	—36.5[9]	88.1[1]	24.4[5]	40.1[1]	22.1[1]	33.4[2]	53,396[1]	—
Smith, Barney Equity Fund 1345 Ave. of Americas New York, N.Y. 10019	—6.4[6]	31.1[2]	15.2[3]	—23.9[8]	—22.1[5]	25.8[7]	16.9[8]	0.2[8]	13.2[3]	27.5[4]	21,266[5]	17,822[5]
Smith, Barney Inc. Growth 1345 Ave. of Americas New York, N.Y. 10019	1.7[3]	10.7[8]	4.0[8]	—19.6[5]	—17.1[4]	34.4[4]	36.6[2]	1.5[5]	1.9[8]	20.9[5]	22,956[4]	17,915[5]
SoGen International Fund 630 Fifth Avenue New York, N.Y. 10017	—	21.5[4]	11.8[4]	—20.4[5]	—21.3[5]	26.3[6]	14.2[9]	2.2[5]	7.3[5]	23.6[4]	19,551[6]	—
Southwestern Investors 1807 Ross Ave. Dallas, Tex. 75201	8.1[1]	11.7[9]	16.1[3]	—26.3[7]	—21.7[5]	41.9[2]	27.6[4]	—0.8[6]	2.3[7]	19.9[5]	22,031[5]	17,823[5]
Southwestern Invs. Income 1807 Ross Ave. Dallas, Tex. 75201	—21.8[9]	30.8[2]	8.0[6]	—35.9[9]	—36.8[10]	30.8[5]	17.4[6]	0.8[5]	8.2[4]	2.0[9]	17,083[8]	7,646[10]
Sovereign Investors 2302 Phila. Natl. Bank Bldg. Philadelphia, Pa. 19107	4.5[2]	12.3[8]	9.6[5]	—13.9[3]	—20.5[5]	37.7[3]	28.2[3]	—4.9[9]	3.6[7]	22.9[5]	21,343[5]	18,819[4]
State Farm Balanced 1 State Farm Plaza Bloomington, Ill. 61701	10.5[1]	9.4[9]	9.4[5]	—16.4[4]	—13.8[3]	27.3[6]	24.2[5]	3.5[4]	9.7[4]	26.2[4]	22,656[4]	21,592[2]
State Farm Growth Fund 1 State Farm Plaza Bloomington, Ill. 61701	—11.4[7]	3.7[10]	14.3[3]	—12.3[3]	—26.7[7]	43.1[2]	39.1[1]	3.2[4]	12.1[3]	43.1[1]	32,802[2]	22,145[2]
State Farm Interim Fund 1 State Farm Plaza Bloomington, Ill. 61701	—	—	—	—	—	—	—	—	2.7[7]	4.5[8]	—	—
State Farm Municipal Bond 1 State Farm Plaza Bloomington, Il. 61701	—	—	—	—	—	—	—	—3.2[10]		—0.8[10]	—	—
State St. Investment Corp. 225 Franklin St. Boston, Mass. 02110	—5.5[5]	18.0[5]	18.2[2]	—19.9[8]	—25.4[6]	35.9[3]	24.3[5]	—1.0[7]	12.0[3]	29.5[3]	24,256[4]	19,105[4]
Steadman Amer. Industry Fd. 919 18th St. N.W. Washington, D.C. 20006	—39.2[10]	29.0[2]	—4.2[10]	—30.6[8]	—27.6[7]	13.2[9]	4.8[10]	—1.1[7]	—1.0[9]	33.2[2]	15,471[9]	5,948[10]
Steadman Associated Fund 919 18th St. N.W. Washington, D.C. 20006	7.3[1]	15.4[6]	7.2[7]	—12.0[3]	—12.6[2]	19.5[8]	23.1[5]	4.5[3]	—1.2[9]	10.3[7]	16,753[7]	17,104[5]
Steadman Investment Fund 919 18th St. N.W. Washington, D.C. 20006	—5.4[5]	22.0[3]	13.2[4]	—20.2[5]	—18.1[4]	10.2[10]	37.0[2]	—5.6[9]	—7.8[10]	20.5[5]	15,834[9]	13,520[8]
Steadman Oceanographic Fund 919 18th St. N.W Washington, D.C. 20006	—7.5[6]	17.0[5]	8.8[6]	—11.1[2]	—16.5[3]	1.4[10]	11.9[9]	—0.1[6]	—2.6[10]	43.5[1]	15,842[9]	13,848[8]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1950	Growth/Income	8.5	No min.	No min.	45.1	45.7	9.97	10.99	.54	.145	4.4	X	X
1931	Balanced	8.5	No min.	No min.	20.4	23.3	8.87	8.86	.618	—	6.4	X	X
1970	Growth	8.5	No min.	No min.	6.6	11.5	8.26	10.38	.118	.517	1.0	X	X
1968	Growth	5.0	100	50	40.5	48.1	10.48	12.74	.30	.32	2.2	X	X
1966	Growth/Income	5.0	100	No min.	3.1	3.0	12.09	13.90	.72	—	4.9	X	X
1970	Growth	4.5	100	50	18.9	18.6	11.67	14.05	.375	—	2.5	X	—
1953	Growth/Income	7.5	10	10	17.2	17.0	7.40	8.41	.375	.09	4.1	X	X
1968	Growth	7.5	10	10	1.4	1.7	5.12	5.01	.213	—	3.9	X	X
1936	Growth/Income	8.5	No min.	No min.	7.0	6.8	11.01	12.84	.59	.10	4.2	X	X
1967	Balanced	None	50	25	16.9	21.7	9.90	11.55	.51	.43	4.3	X	X
1967	Growth	None	50	25	105.9	158.9	6.19	8.43	.22	.205	2.5	X	X
1977	Income	None	50	25	0.6	1.1	9.63	9.27	.79	—	8.5	X	X
1976	Income	None	1,000	100	5.6	6.7	9.18	8.52	.583	—	6.8	X	—
1924	Growth/Income	OTC	—	—	303.0	372.5	44.94	55.10	2.05	1.05	3.7	X	—
1959	Performance	None	100	25	14.1	15.8	2.21	2.94	.004	—	0.1	X	—
1939	Income	None	100	25	43.0	40.1	.97	.96	.095	.015	9.7	X	—
1956	Growth/Income	None	100	25	17.6	17.7	1.19	1.37	.064	—	4.7	X	—
1968	Growth	None	500	25	7.7	9.9	5.76	8.16	.105	—	1.3	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Stein Roe & Farnham Balncd 150 S. Wacker Dr. Chicago,Ill. 60606	.3.3[4]	21.8[3]	18.2[2]	—14.0[3]	—24.7[8]	28.3[6]	14.8[9]	—5.7[9]	6.5[5]	16.7[6]	17,262[8]	15,563[6]
Stein Roe Bond Fund 150 S. Wacker Dr. Chicago,Ill. 60606	—	—	—	—	—	—	—	—	—	2.4[9]	—	—
Stein Roe & Farnham Cap. Op. 150 S. Wacker Dr. Chicago, Ill. 60606	—10.0[7]	25.1[37]	24.4[1]	—21.4[6]	—36.5[10]	32.2[5]	24.6[5]	5.7[3]	16.4[2]	50.9[1]	30,662[2]	21,391[2]
SteinRoe Special Fund 150 S. Wacker Dr. Chicago, Ill. 60606	—	—	—	—	—	50.1[1]	22.2[6]	14.8[1]	6.4[5]	47.2[1]	23,979[2]	—
Stein, Roe & Farnham—Stock 150 S. Wacker Dr. Chicago, Ill. 60608	—6.5[6]	21.3[4]	20.9[1]	—17.2[4]	—29.4[8]	31.8[5]	16.3[6]	—8.6[10]	7.0[5]	28.2[3]	19,215[6]	15,405[7]
Steinroe Tax Exempt Bond Fd. 150 S. Wacker Dr. Chicago, Ill. 60606	—	—	—	—	—	—	—	—	—3.1[10]	—0.7[10]	—	—
Stralem Fund 40 Wall Street New York, N.Y. 10005	—	—	2.0[8]	—32.5[9]	—23.3[6]	49.4[1]	16.2[8]	—7.7[10]	3.4[7]	13.4[7]	18,789[7]	—
Strategic Investments P.O. Box 20066 Dallas, Tex. 75220	—	—	—	—	—	—	—48.7[10]	42.5[1]	11.4[3]	182.5[1]	—	—
Stratton Growth Fund AxeWd Butler Skippack Pikes Blue Bell, Pa. 19422	—	—	—	—24.2[6]	—16.6[3]	34.4[4]	39.7[1]	1.5[5]	7.3[5]	18.2[6]	24,170[4]	—
Sun Growth Fund 1 Sun Life Exec. Pk. Wellesley Hills, Mass. 02181	—	—	11.0[5]	—19.6[5]	—28.2[7]	32.4[4]	18.0[8]	—7.6[10]	8.2[4]	18.6[6]	18,523[7]	—
Surveyor Fund 61 Broadway New York, N.Y. 10006	—3.0[4]	14.9[6]	—0.6[9]	—29.9[8]	—23.4[6]	24.5[7]	15.2[9]	1.0[5]	14.7[2]	29.9[3]	21,584[5]	12,840[8]
Tax-Managed Fd. for Util. Shares 247 Royal Palm Way Palm Beach, Fla. 33480	—	—	—	—	—	—	—	—	—	—0.7[10]	—	—
Technology Fund 120 LaSalle St. Chicago, Ill. 60603	—1.8[4]	15.1[6]	9.2[6]	—17.0[4]	—21.9[5]	36.8[3]	25.3[4]	—1.8[7]	22.0[1]	31.5[3]	26,982[3]	21,603[2]
Templeton Growth Fund 155 University Ave. Toronto M5H 3B7, Canada	—6.3[6]	21.5[4]	67.6[1]	—8.6[2]	—11.4[2]	37.6[3]	46.0[1]	19.3[1]	19.2[2]	26.5[4]	36,030[1]	55,840[1]
Templeton World 41 Beach Drive St. Petersburg, Fla. 33701	—	—	—	—	—	—	—	—	—	28.0[3]	—	—
Transamerica Capital Fund 80 South Lake Ave. Pasadena, Cal. 91101	—1.9[4]	21.6[3]	15.5[3]	—18.6[5]	—17.5[4]	19.3[8]	15.2[9]	—7.4[8]	7.2[5]	12.4[7]	15,335[9]	14,189[8]
Transamerica Investors Fund 80 South Lake Ave. Pasadena, Cal. 91101	8.2[1]	16.6[5]	8.9[6]	—5.1[1]	—4.9[1]	17.1[9]	20.2[7]	0.5[6]	3.4[7]	4.5[8]	15,285[9]	18,952[4]
Travelers Equities Fund 1 Tower Square Hartford, Conn. 06115	—5.4[5]	23.1[2]	15.3[3]	—16.0[4]	—25.4[8]	23.2[7]	20.2[7]	0.8[5]	11.3[3]	33.6[2]	22,196[4]	18,675[4]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1949	Balanced	None	300	50	103.3	93.7	17.35	19.41	.83	—	4.3	X	X
1978	Income	None	2,500	100	3.3	9.1	9.99	9.33	89.8	—	9.6	X	X
1954	Growth	None	300	50	21.3	43.3	10.57	15.70	.25	—	1.6	X	—
1967	Performance	None	300	50	20.1	35.1	1.47	10.81	.185	—	1.7	X	X
1959	Growth	None	300	50	137.7	144.8	12.19	15.20	.43	—	2.8	X	X
1977	Income	None	2,500	100	23.9	23.9	9.20	8.63	.534	—	6.2	X	—
1970	Growth	None	100	No min.	2.3	2.2	7.52	8.33	.20	—	2.4	—	—
1974	Growth	8.5	500	100	2.2	10.1	2.79	7.56	.322	—	3.9	—	—
1972	Growth	None	1,000	100	4.6	6.0	16.77	19.30	.52	—	2.7	X	X
1971	Growth	8.5	300	50	8.5	9.7	9.08	10.43	.34	—	3.0	X	X
1966	Growth	8.5	100	25	74.3	82.5	9.84	12.35	.22	.21	1.6	X	X
1974	Income	8.5	1,000	25	56.5	122.2	16.40	16.28	—	—	0.0	X	X
1948	Growth/Income	8.5	100	25	375.3	427.1	8.26	10.17	.26	.43	2.3	X	X
1954	Growth	8.5	500	25	195.5	340.5	5.28	6.51	.08	.09	1.1	X	—
1977	Growth	8.5	500	25	42.0	175.7	2.04	14.98	.23	.20	1.4	X	X
1968	Growth	8.0	25	25	40.4	38.1	7.49	8.10	.32	—	3.6	X	X
1969	Income	8.0	100	25	5.0	4.9	8.92	8.78	.54	—	5.7	X	X
1968	Growth	8.5	No min.	No min.	24.4	31.0	11.47	14.46	.36	.50	2.2	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Tudor Hedge Fund 30 Wall Street New York, N.Y. 10005	—29.8[9]	17.3[5]	24.3[1]	—34.8[9]	—16.8[3]	29.7[6]	23.8[5]	6.4[3]	20.2[1]	27.4[4]	26,163[3]	14,527[7]
Twentieth Century—Growth 605 W. 47th St. Kansas City, Mo. 64112	-38.1[10]	22.9[3]	42.4[1]	—21.6[6]	—30.9[8]	42.5[2]	61.1[5]	13.8[1]	41.7[1]	63.5[1]	60,526[1]	39,139[1]
Twentieth Century—Select 605 W. 47th St. Kansas City, Mo. 64112	—0.6[4]	8.4[9]	11.6[4]	—3.3[1]	—29.7[8]	54.9[1]	27.8[4]	24.5[1]	34.5[1]	40.7[2]	46,643[1]	38,129[1]
Unified Accumulation 207 Guaranty Bldg. Indianapolis, Ind. 46204	—	—	—	—	—	—	—	—	10.1	23.0[5]	—	—
Unified Growth Fund 207 Guaranty Bldg. Indianapolis, Ind. 46204	—	23.5[3]	7.0[7]	—30.7[8]	—34.5[9]	30.2[5]	20.0[7]	1.3[5]	18.5[2]	28.2[3]	24,044[4]	—
Unified Income Fund 207 Guaranty Bldg. Indianapolis, Ind. 46204	—	—	—	—	—	—	—	—	—	9.1[8]	—	—
Unified Mutual Shares 207 Guaranty Bldg. Indianapolis, Ind. 46204	—5.8[5]	23.7[3]	9.0[6]	—25.8[7]	—28.1[7]	34.9[3]	24.6[5]	—3.6[8]	6.5[5]	21.6[5]	20,983[5]	14,218[8]
Union Capital Fund 1 Bankers Trust Plaza New York, N.Y. 10006	1.5[3]	39.2[1]	19.5[2]	—37.6[9]	—27.0[7]	64.2[8]	28.7[3]	5.7[3]	15.3[2]	37.2[2]	35,336[1]	27,176[1]
Union Income Fund 1 Bankers Trust Plaza New York, N.Y. 10006	—7.8[6]	21.7[3]	19.8[2]	—15.7[4]	—9.5[2]	26.5[6]	27.4[4]	4.4[4]	2.9[7]	8.9[8]	18,856[7]	19,335[4]
United Accumulative Fund One Crown Center Kansas City, Mo. 64141	—2.9[4]	17.5[5]	12.5[4]	—18.3[5]	—27.3[7]	28.4[6]	19.3[7]	—3.0[7]	9.6[4]	16.3[6]	18,941[7]	14,439[7]
United Bond Fund One Crown Center Kansas City, Mo. 64141	11.4[1]	11.3[8]	6.8[7]	0.2[1]	—8.5[2]	13.3[9]	21.0[6]	3.8[4]	0.6[9]	—3.0[10]	13,886[10]	16,858[5]
United Continental Gr. Fd One Crown Center Kansas City, Mo. 64141	—	19.0[4]	4.5[8]	—26.9[7]	—28.9[8]	31.0[5]	17.3[8]	—4.9[8]	9.2[4]	19.3[6]	19,038[7]	—
United Continental Inc. Fd. One Crown Center Kansas City, Mo. 64141	—	16.7[5]	6.0[7]	—16.8[4]	—20.1[4]	26.6[6]	25.0[4]	1.6[5]	1.5[8]	11.7[7]	18,228[7]	—
United High Income Fund One Crown Center Kansas City, Mo. 64141	—	—	—	—	—	—	—	—	—	—	—	—
United Income Fund One Crown Center Kansas City, Mo. 64141	1.4[3]	15.2[6]	15.0[3]	—15.6[4]	—22.8[5]	31.1[5]	18.4[7]	—3.2[7]	2.7[7]	8.7[8]	16,774[8]	14,564[7]
United Municipal Bond Fund One Crown Center Kansas City, Mo. 64141	—	—	—	—	—	—	—	6.5[3]	—6.1[10]	—2.3[10]	—	—
United Science and Energy Fund One Crown Center Kansas City, Mo. 64141	—8.6[6]	18.1[5]	4.4[8]	—20.6[5]	—28.2[7]	27.4[6]	9.0[10]	—2.9[7]	17.5[2]	21.0[5]	19,170[6]	12,318[9]
United Services Fund 110 E. Byrd Blvd. Universal City, Tex. 78148	—	15.7[6]	4.3[8]	—40.3[10]	—32.3[9]	—37.1[10]	—40.7[10]	42.7[1]	5.5[6]	172.9[1]	15,326[9]	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1969	Performance	None	1,000	250	11.0	12.2	6.02	7.68	—	—	0.0	X	X
1957	Performance	None	No min.	No min.	27.4	56.7	6.43	9.44	—	1.07	0.0	X	X
1957	Growth	None	No min.	No min.	3.9	6.3	8.97	11.17	.10	1.35	0.8	X	X
1977	Growth	None	1,000	25	0.8	1.0	3.83	4.71	—	—	0.0	X	X
1970	Growth	None	200	25	1.7	2.0	9.04	11.31	.28	—	2.5	X	X
1977	Income	None	500	25	0.8	1.2	9.92	10.02	.80	—	8.0	X	X
1963	Growth/Income	None	200	25	7.8	7.9	8.28	9.55	.52	—	5.4	X	X
1969	Performance	7.25	No min.	No min.	33.6	36.2	13.23	18.15	—	—	0.0	X	X
1947	Income	7.25	No min.	No min.	56.5	61.0	11.35	11.07	.95	.34	.77	X	X
1940	Growth	8.5	500	25	415.9	381.2	6.56	7.35	.28	—	3.5	X	X
1964	Income	8.5	500	25	293.0	260.2	6.70	5.89	.608	—	9.4	X	X
1970	Growth	8.5	500	50	49.5	48.6	9.18	10.59	.36	—	3.1	X	X
1970	Income	8.5	500	50	59.5	51.1	8.77	9.20	.60	—	6.0	X	X
1979	Income	8.5	500	50	—	44.6	—	14.08	—	—	—	X	X
1940	Income	8.5	500	25	588.2	543.5	9.23	9.20	.55	.28	5.3	X	X
1976	Income	4.0	500	50	27.3	28.9	9.02	8.25	.559	—	6.5	X	X
1950	Growth	8.5	500	25	164.7	160.1	6.48	7.67	.17	—	2.0	X	X
1970	Gold	None	500	50	19.0	53.3	1.94	5.05	.244	—	4.8	X	X

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
United Vanguard Fund One Crown Center Kansas City, Mo. 64141	—2.1[4]	25.0[3]	0.0[9]	—36.3[9]	—34.7[9]	34.6[4]	18.1[7]	2.0[5]	14.7[2]	33.8[2]	24,883[3]	12,666[9]
USAA Capital Growth Fund 9800 Fredericksburg Rd. San Antonio, Tex. 98288	—	—	28.5[1]	—37.6[9]	—30.5[8]	31.5[5]	8.0[10]	—5.7[9]	4.7[6]	21.9[5]	17,092[8]	—
USAA Income Fund 9800 Fredercksburg Rd. San Antonio, Tex. 78288	—	—	—	—	—	22.9[7]	20.5[6]	5.3[3]	—0.9[9]	2.6[9]	15,859[9]	—
Value Line Fund 711 Third Avenue New York, N.Y. 10017	—24.9[9]	17.1[5]	10.5[5]	—29.8[8]	—21.6[5]	39.0[2]	42.5[1]	9.4[2]	19.3[2]	43.5[1]	37,096[1]	19,840[3]
Value Line Income Fund 711 Third Avenue New York, N.Y. 10017	5.6[2]	13.5[7]	8.8[8]	—15.1[3]	—15.2[3]	40.8[2]	33.6[2]	1.7[5]	10.8[3]	26.8[4]	26,878[3]	25,232[1]
Value Line Leveraged Growth 711 Third Avenue New York, N.Y. 10017	—	—	—	-47.7[10]	-30.6[8]	59.1[1]	46.9[1]	51.5[1]	27.6[1]	23.9[4]	55,980[1]	—
Value Line Spec. Situations Fd. 711 Third Avenue New York, N.Y. 10017	—33.5[10]	17.6[5]	—11.0[10]	—45.7[10]	-29.2[8]	47.0[1]	52.6[1]	12.3[2]	21.1[1]	43.4[1]	43,743[1]	11,705[9]
Vance Sanders Common Stock One Beacon Street Boston, Mass. 02108	1.6[3]	17.5[5]	21.9[9]	—14.5[3]	—23.7[6]	17.0[9]	20.2[7]	2.3[5]	22.9[1]	23.1[5]	21,768[5]	20,664[3]
Vance Sanders Income Fund One Beacon Street Boston, Mass. 02108	—	—	—	—	—1.4[1]	10.2[10]	14.6[9]	4.4[4]	1.7[8]	0.5[9]	13,476[10]	—
Vance Sanders Investors Fd One Beacon Street Boston, Mass. 02108	7.7[1]	10.0[9]	8.7[6]	—12.1[3]	—13.2[2]	23.5[7]	27.6[4]	0.6[8]	7.1[5]	17.8[6]	20,000[6]	19,652[3]
Vance Sanders Municipal Bond Fd. One Beacon Street Boston, Mass. 02108	—	—	—	—	—	—	—	—	—	—0.5[10]	—	—
Vance Sanders Special Fund One Beacon Street Boston, Mass. 02108	—2.4[4]	40.4[1]	7.5[7]	—33.6[9]	—30.5[8]	44.4[2]	35.0[2]	19.7[1]	23.3[1]	35.9[2]	39,102[1]	26,581[1]
Variable Stock Fund 1250 State Street Springfield, Mass. 01101	0.4[4]	15.5[6]	17.7[2]	—20.6[5]	—27.5[7]	32.5[4]	26.5[4]	—0.2[6]	3.9[7]	18.5[6]	20,594[5]	16,052[6]
Varied Industry Plan P.O. Box 929 Fort Wayne, Ind. 46801	2.8[3]	9.6[9]	1.9[8]	—28.3[8]	—18.4[4]	18.2[9]	21.7[6]	—0.1[6]	10.5[4]	23.1[5]	19,548[6]	13,130[8]
Wade Fund 5100 Poplar Ave. Memphis, Tenn. 38137	1.7[3]	16.4[8]	12.4[4]	17.6[1]	—23.8[6]	12.0[10]	22.1[6]	—5.9[9]	5.2[6]	36.4[2]	18,464[7]	22,017[2]
Wall Street Corp. One Wall Street New York, N.Y. 10005	—4.6[5]	17.4[5]	14.1[3]	—20.5[5]	—26.3[7]	30.1[5]	22.6[5]	—4.3[8]	6.8[5]	21.3[5]	20,045[6]	14,807[7]
Warwick Municipal Bond Fund—Short Term P.O. Box 1100 Valley Forge, Pa. 19482	—	—	—	—	—	—	—	—	1.9[8]	4.8[8]	—	—
Warwick Municipal Bond Fund—Intermediate Term P.O. Box 1100 Valley Forge, Pa. 19482	—	—	—	—	—	—	—	—	—4.4[10]	—1.3[10]	—	—

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1969	Performance	8.5	500	50	27.5	29.7	6.04	7.78	.30	—	3.5	X	X
1971	Growth	None	250	25	53.2	54.0	7.62	8.96	.329	—	3.7	X	X
1973	Income	None	1,000	25	12.5	12.5	10.59	9.95	.872	.048	8.7	X	X
1949	Growth	2.5	250	No min.	39.8	52.0	8.88	12.53	.215	—	1.7	X	X
1952	Income	2.5	250	No min.	58.8	63.3	5.36	6.46	.335	—	5.1	X	X
1972	Performance	2.5	250	No min.	14.5	15.5	16.52	18.36	.025	2.08	0.1	—	—
1956	Performance	2.5	250	No min.	99.9	126.0	5.46	7.80	.03	—	0.4	X	X
1952	Growth	8.5	20	20	44.0	49.4	6.79	7.75	.18	.43	2.0	X	X
1973	Income	8.5	20	20	13.2	12.3	12.28	11.18	1.04	—	8.5	X	X
1932	Balanced	8.5	20	20	136.4	139.8	6.97	7.60	.35	.26	4.1	X	X
1977	Income	3.75	1,500	1,500	3.1	3.3	9.30	8.70	.548	—	6.1	X	—
1968	Performance	8.5	20	20	49.3	63.8	11.30	13.14	.40	1.82	2.5	X	X
1957	Growth	None	50	25	4.4	5.0	13.99	15.84	.46	.28	2.9	—	X
1960	Growth/Income	8.0	25	25	13.8	15.4	3.92	4.71	.115	—	2.2	X	X
1949	Growth	None	No min.	No min.	0.4	0.5	29.24	37.88	.51	1.48	1.3	—	—
1945	Growth/Income	8.5	50	10	7.6	7.7	6.28	7.38	.22	.02	2.7	X	—
1977	Income	None	3,000	50	30.5	113.6	14.76	14.78	.682	—	4.6	X	—
1977	Income	None	3,000	50	9.1	12.5	13.50	12.60	.719	—	5.7	X	—

MUTUAL FUND	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Warwick Mun. Bd.—Long Term P.O. Box 1100 Valley Forge, Pa. 19482	—	—	—	—	—	—	—	—	—6.6[10]	—2.6[10]	—	—
Warwick Mun. Bd.—High Yield P.O. Box 1100 Valley Forge, Pa. 19482	—	—	—	—	—	—	—	—	—	—1.1[10]	—	—
Washington Mutual Investors Southern Bldg. Washington, D.C. 20005	8.1[1]	11.8[8]	8.5[6]	—9.2[2]	—16.9[3]	44.1[2]	30.5[3]	—3.9[8]	7.7[5]	13.9[7]	22,169[4]	21,934[2]
Weingarten Equity Fund 331 Madison Ave. New York, N.Y. 10017	1.5[3]	38.5[1]	17.0[2]	—21.1[5]	—33.2[9]	33.1[4]	16.4[8]	18.7[1]	26.7[1]	50.3[1]	35,021[2]	30,359[1]
Wellesley Income Fund P.O. Box 1100 Valley Forge, Pa. 19482	—	14.6[4]	9.4[5]	—3.5[1]	—6.5[1]	17.0[9]	22.6[5]	4.2[4]	3.5[7]	6.4[8]	16,460[9]	—
Wellington Fund P.O. Box 1100 Valley Forge, Pa. 19482	5.8[2]	8.7[9]	10.5[5]	—11.6[2]	—17.3[4]	24.7[7]	22.7[5]	—4.5[8]	5.1[6]	13.3[7]	17,399[8]	16,121[6]
Westminster Bond—Inv. Grade P.O. Box 1100 Valley Forge, Pa. 19482	—	—	—	—	—2.3[1]	9.5[10]	14.8[9]	4.8[3]	1.9[8]	—0.3[10]	13,384[10]	—
Westminster Bond—High Yield P.O. Box 1100 Valley Forge, Pa. 19482	—	—	—	—	—	—	—	—	—	5.5[8]	—	—
Clarence M. Whipple Fund 2405 Church Road Cherry Hill, N.J. 08002	—17.1[8]	35.0[1]	—0.1[9]	—17.6[4]	—16.9[3]	9.7[10]	11.9[9]	—1.9[7]	—5.1[10]	6.9[8]	12,217[10]	9,353[10]
Willow Fund 3801 Kennett Pike Wilmington, Del. 19807	—	—	10.2[5]	—27.1[8]	—16.0[3]	44.7[1]	29.6[3]	—0.7[5]	15.9[2]	36.6[2]	29,481[2]	—
Windsor Fund P.O. Box 1100 Valley Forge, Pa. 19482	6.0[2]	6.9[9]	9.3[5]	—24.4[6]	—16.3[3]	54.1[1]	45.2[1]	0.6[6]	8.5[4]	21.7[5]	29,721[2]	23,294[2]
Wisconsin Income Fund 312 E. Wisconsin Milwaukee, Wis. 53202	3.8[2]	13.7[7]	8.0[6]	—18.7[5]	—25.7[7]	33.5[4]	22.5[5]	—5.0[8]	—2.2[10-8]	—2.2[10]	14,861[10]	11,441[9]

Year Organized	Objective	Maximum Sales Charge %	Minimum Purchase $ or Shares		Total Assets (millions) $		Net Asset Value per share		1979 Distributions		Yield %	Plans	
			Initial	Subsequent	1978	1979	12/31/78	12/31/79	Dividends $	Capital Gains $		Withdrawal	Keogh
1977	Income	None	3,000	50	15.4	33.3	13.23	12.06	.821	—	6.8	X	X
1978	Income	None	3,000	50	0.3	14.8	11.97	11.06	.778	—	7.0	X	X
1952	Growth/Income	8.5	250	50	314.3	319.3	6.53	6.84	.37	.23	4.8	X	X
1967	Growth	None	500	50	14.4	19.4	16.46	24.55	.19	—	0.8	X	X
1969	Income	None	500	50	122.6	110.1	11.27	10.98	1.00	—	9.1	X	X
1928	Balanced	None	500	50	639.5	606.0	8.65	9.14	.66	—	7.2	X	X
1973	Income	None	500	50	47.0	40.0	8.91	8.09	.79	—	9.8	X	X
1978	Income	None	500	50	0.3	3.4	10.00	9.53	1.02	—	10.7	X	X
1968	Growth	None	50	No min.	1.5	0.4	14.38	15.40	—	—	0.0	X	—
1970	Growth	8.5	No min.	No min.	7.3	7.9	8.65	11.55	.238	.031	1.9	—	—
1958	Growth	None	500	50	598.8	704.3	9.12	9.72	.53	.85	5.0	X	X
1924	Income	None	500	50	15.0	12 6	4.58	4.04	.436	—	10.8	X	X

CLOSED-END FUNDS

TEN YEAR PERFORMANCE

DIVERSIFIED COMMON STOCK	% Gain or Loss per Share (Based on Net Asset Value)									What $10,000 Grew to:	
	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 yrs. 1975-1979	10 yrs. 1970-1979
Adams Express Company 201 N. Charles St. Baltimore, MD 21201	10.5	15.0	−5.3	−20.7	33.4	28.5	—2.2	7.5	20.5	21,717	22,030
Baker Fentress & Co. 208 So. La Salle St. Chicago, Ill. 60604	–	25.2	−11.1	−29.9	31.6	23.5	—2.2	16.7	37.1	25,433	—
Carriers & General Corp. One Wall Street New York, N.Y. 10005	13.8	14.1	−14.6	−22.1	34.7	23.9	—12.1	1.6	13.0	16,841	16,193
General American Investors 330 Madison Ave. New York, N.Y. 10017	16.2	22.6	−15.6	−30.8	33.9	19.7	0.8	17.2	37.5	26,036	21,512
Lehman Corporation 55 Water St. New York, N.Y. 10091	26.6	23.7	−13.8	−30.3	30.9	16.3	—4.7	9.8	28.5	20,470	17,873
Madison Fund P. O. Box 550 Wilmington, Del. 19899	15.2	7.8	−10.9	−16.3	38.6	35.3	0.2	17.8	32.5	29,329	27,027
Niagara Share Corp. 70 Niagara Street Buffalo, N.Y. 14202	22.3	25.1	−4.8	−30.1	23.6	18.4	—4.0	13.1	53.1	24,327	22,663
Overseas Securities Co. 17 Battery Place New York, N.Y. 10004	17.0	2.9	−38.0	−23.4	13.8	32.1	—10.8	1.2	20.5	16,297	8,584
Tri-Continental Corp. One Bankers Trust Plaza New York, N.Y. 10006	22.5	21.4	−21.3	−27.6	35.4	23.7	—7.4	5.8	23.1	20,193	16,980
U.S. & Foreign Securities 767 Fifth Avenue New York, N.Y. 10022	15.6	13.1	−17.1	−27.0	32.2	21.9	—6.6	10.2	25.2	20,768	17,615

NAV Per Share		12/31/79							
12/31/78	12/31/79	Market Value Per Share	Premium or Discount %	Total Assets $ millions	Year Organized	Where Traded	1979 Distribution		
							Div.	Capital Gains	Yield
14.49	16.14	12¾	—21.0	252.1	1929	NYSE	.70	.62	5.2
62.02	81.67	51½	—36.9	219.1	1971	OTC	2.29	1.086	4.2
14.27	15.02	12¾	—15.1	19.5	1929	NYSE	.79	.32	6.0
14.38	18.55	15⅜	—17.1	162.4	1929	NYSE	.28	.94	1.7
13.81	16.42	13⅛	—20.1	545.8	1929	NYSE	.42	.91	3.0
18.34	23.05	18½	—19.7	547.7	1929	NYSE	.82	.43	4.1
13.23	19.05	15⅜	—19.3	143.2	1929	NYSE	.50	.71	3.1
4.34	5.23	4⅛	—21.1	1.4	1940	AMEX	—	—	0.0
22.53	25.66	19⅞	—2.25	697.0	1929	NYSE	1.06	1.01	5.1
21.48	25.16	19	—24.5	139.1	1924	NYSE	.82	.905	4.1

SPECIALIZED EQUITY AND CONVERTIBLE FUNDS	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
American General Conv. Sec 3910 Keswick Rd. Baltimore, Md. 21211	—	—	—	—14.2	—11.3	31.3	35.9	6.1	12.9	20.4	25,735	—
ASA Ltd. P.O. Box 1724 FDR Sta. New York, N.Y. 10022	1.0	—1.1	60.0	125.0	36.7	—42.9	—13.5	24.4	27.2	119.4	17,146	84,294
Bancroft Cnvertible Fund 660 Madison Ave. New York, N.Y. 10021	—	—	2.1	—13.8	—7.9	24.6	31.1	3.8	5.7	27.3	22,814	—
Castle Convertible Fund 26 Broadway New York, N.Y. 10004	—	—	—	—13.0	—14.8	31.8	39.9	10.2	3.7	14.8	24,190	—
Central Securities Corp. 375 Park Ave. New York, N.Y. 10022	—13.8	12.5	—7.7	—36.7	—18.0	34.7	33.3	—2.7	1.4	49.7	26,521	18,123
Chase Conv. Fund of Boston 535 Boylston St. Boston, Mass. 02116	—	—	—	—16.7	—12.8	22.8	30.9	2.1	5.3	14.7	19,821	—
Claremont Capital Fund 810 Third Ave. Seattle, Wash. 98104	—39.0	—4.9	8.9	—20.1	—30.8	15.4	32.9	10.7	29.4	48.8	32,689	11,418
Cyprus Fund 1006 First Nat'l. Bank Tower Atlanta, GA 30303	—	—	—	—	—93.1	25.0	36.7	32.3	—39.6	—17.6	11,251	—
Drexel Utility Shares 1500 Walnut St. Philadelphia, Pa. 19101	—	—	—	—18.1	—24.2	56.3	25.9	7.9	—3.4	—2.1	20,080	—
Japan Fund One Rockefeller Plaza New York, N.Y. 10020	—32.9	46.8	70.3	—18.8	—7.2	32.8	24.3	—4.5	51.6	—20.8	18,928	23,926
Petroleum & Resources Corp. 201 N. Charles St. Baltimore, Md. 21201	12.7	10.2	22.2	15.2	—19.4	20.4	39.8	0.3	9.7	52.8	28,300	39,878
RET Income Fund One Winthrop Square Boston, Mass. 02110	—	—	—	—38.7	—84.3	60.2	95.3	3.1	—26.0	60.8	38,377	—
Source Capital 1888 Century Park East Los Angeles, Calif. 90067	—	—	—	—22.7	—16.8	30.6	46.1	14.3	19.0	32.6	34,412	—
Value Line Development Corp. 5 East 44th St. New York, N.Y. 10017	—19.4	12.5	—14.4	—36.4	—28.7	—3.1	1.6	—5.1	—0.5	12.9	10,497	3,694

NAV Per Share		12/31/79							
12/31/78	12/31/79	Market Value Per Share	Premium or Discount %	Total Assets $ millions	Year Organized	Where Traded	1979 Distribution		
							Div.	Capital Gains	Yield %
23.70	26.53	20½	—22.7	82.3	1972	NYSE	1.39	.625	6.6
24.08	50.43	41¼	—18.2	484.1	1958	NYSE	2.40	—	5.8
22.57	27.07	21	—22.4	57.6	1971	AMEX	1.21	.46	5.6
23.36	24.26	18½	—23.7	24.1	1971	AMEX	1.75	.80	9.1
7.22	10.11	7	—30.8	56.3	1929	AMEX	.70	—	5.0
11.39	12.28	10½	—14.5	67.7	1972	NYSE	.78	—	7.4
13.01	19.06	14⅛	—25.9	23.6	1968	AMEX	.30	—	2.1
1.31	1.08	2¼	+108.3	14.5	1973	AMEX	—	—	0.0
20.38	18.29	17¾	—3.0	10.3	1972	AMEX	1.66	—	9.4
16.24	11.33	9½	16.2	168.6	1961	NYSE	.15	1.38	1.4
24.79	35.38	31⅛	—10.6	198.1	1929	NYSE	.87	1.64	2.6
2.22	3.57	3⅛	8.5	41.2	1972	AMEX	—	—	0.0
20.00	23.85	18¾	—21.4	198.6	1968	OTC	2.675	—	14.3
3.88	4.32	3⅛	—27.7	10.8	1968	AMEX	.06	—	1.9

Bond Funds	TEN YEAR PERFORMANCE % Gain or Loss per Share (Based on Net Asset Value)										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 Years 1975-1979	10 Years 1970-1979
American General Bond Fund 2777 Allen Parkway Houston, TX 77019	—	12.5	8.9	3.0	—6.1	16.0	18.9	6.2	1.5	1.3	14,674	—
Bunker Hill Income Securities P.O. Box 4602 Pasadena, CA 91106	—	—	—	—	—6.0	15.6	13.4	8.0	2.0	1.2	14,614	—
Circle Income Shares P.O. Box 44711 Indianapolis, Ind. 46244	—	—	—	—	—	13.4	18.7	6.3	2.7	0.2	14,724	—
CNA Income Shares CNA Plaza Chicago, Ill. 60685	—	—	—	—	—6.3	16.5	20.4	5.9	0.9	—1.5	14,763	—
Current Income Shares 445 S. Figueroa St. Los Angeles, Calif. 90011	—	—	—	—	—	16.7	23.8	5.4	1.1	—5.9	14,487	—
Drexel Bond-Deb. Trading 1500 Walnut St. Philadelphia, Pa. 19101	—	—	—	—3.5	—13.2	17.9	24.0	2.5	1.9	1.8	15,544	—
Excelsior Income Shares 20 Exchange Place New York, N.Y. 10005	—	—	—	—	—8.8	16.7	21.0	5.1	0.1	—3.9	14,276	—
Federated Income & Pvt. Placement fund, 421 Seventh Ave. Pittsburgh, Pa. 15219	—	—	—	—4.5	—9.7	17.4	32.2	8.8	3.0	4.8	18,228	—
Fort Dearborn Income Sec. 126 S. State St. Chicago, Ill. 60603	—	—	—	—	—6.1	13.1	15.7	3.4	1.2	—3.4	13,228	—
Hatteras Income Securities One NCNB Plaza Charlotte, N.C. 28255	—	—	—	—	—9.2	20.1	20.9	5.3	0.8	2.1	15,736	—
INA Investment Securities P.O. Box 7728 Philadelphia, Pa. 19101	—	—	—	—	—11.2	15.3	24.7	3.5	0.8	0.3	15,045	—
Independence Square Income 100 Matsonford Rd. Radnor, PA 19087	—	—	—	—0.4	—15.6	16.8	23.0	12.1	2.1	—0.5	16,361	—
InterCapital Income Securities 130 Liberty St. New York, N.Y. 10006	—	—	—	—	—3.7	17.4	21.1	4.9	1.1	—2.1	14,408	—
John Hancock Income Sec. John Hancock Place Boston, Mass. 02117	—	—	—	—	—13.4	17.8	21.5	5.1	0.5	—2.7	14,710	—
John Hancock Investors John Hancock Place Boston, Mass. 02117	—	—	8.6	3.6	—6.9	13.7	16.1	10.7	1.6	0.0	14,847	—
Mass. Mutual Income Inv. 1295 State St. Springfield, Mass. 01101	—	—	—	2.5	—4.6	15.7	16.6	4.7	1.6	0.5	14,423	—
Montgomery St. Income Sec. 315 Montgomery St. San Francisco, Calif. 94104	—	—	—	—	—2.2	14.2	17.3	4.7	1.8	—2.8	13,878	—
Mutual Omaha Interest Shares 3102 Farnam St. Omaha, Neb. 68131	—	—	—	0.3	—11.4	13.5	24.6	4.4	0.5	—2.2	14,511	—
Pacific American Income Shrs. P.O. Box 983 Pasadena, Calif. 91102	—	—	—	—	—9.4	18.0	22.5	5.3	1.3	0.2	15,450	—
St. Paul Securities Box 43284 St. Paul, MN 55164	—	—	—	—	—8.1	16.4	20.5	3.6	2.2	—1.4	14,643	—
State Mutual Securities 440 Lincoln St. Worcester, Mass. 01605	—	—	—	—	—	15.5	22.8	6.9	1.2	1.0	15,497	—
Transamerica Income Shares Box 2438 Los Angeles, CA 90051	—	—	—	—	2.3	14.0	20.0	7.4	1.0	—3.2	14,365	—
USLife Income Fund 125 Maiden Lane New York, N.Y. 10038	—	—	—	—8.8	—21.7	33.0	35.6	7.2	1.7	0.7	19,800	—

NAV Per Share		12/31/79					1979 Distribution		
12/31/78	12/31/79	Market Value Per Share	Premium or Discount %	Total Assets $ millions	Year Organized	Where Traded	Div	Capital Gains	Yield %
22.09	19.81	18	− 9.1	190.7	1970	NYSE	2.00	—	11.1
20.64	18.98	16⅛	− 15.0	48.4	1973	NYSE	1.91	—	11.8
13.89	12.62	11⅜	− 7.9	28.4	1973	OTC	1.30		10.1
12.35	11.04	9¾	− 11.7	54.2	1973	NYSE	1.125	—	11.5
12.20	10.38	9⅛	− 12.1	38.1	1973	NYSE	1.10	—	12.1
19.04	17.81	15⅝	− 13.7	42.9	1971	NYSE	1.57	—	10.2
20.70	18.13	15¼	− 15.9	40.1	1973	NYSE	1.77	—	11.6
9.57	9.07	7⅝	− 15.9	41.2	1972	OTC	.961	—	12.6
14.59	12.85	11⅛	− 13.4	86.3	1972	NYSE	1.24	—	11.1
16.91	15.71	13⅝	− 13.3	44.7	1973	NYSE	1.56	—	11.4
19.17	17.60	14¾	− 16.2	75.4	1973	NYSE	1.63	—	11.1
19.13	17.31	14½	− 16.2	29.3	1972	OTC	1.73	—	11.9
21.09	18.59	16⅜	− 11.9	163.1	1973	NYSE	2.05	—	12.5
16.77	14.82	12⅝	− 14.8	133.9	1973	NYSE	1.503	—	11.9
21.26	19.37	16⅛	− 16.8	116.8	1971	NYSE	1.88	—	11.7
12.46	11.42	9¼	− 19.0	117.6	1972	NYSE	1.10	—	11.9
21.11	18.59	16⅝	− 10.6	148.8	1973	NYSE	1.92	—	11.5
15.19	13.50	11⅞	− 12.0	80.2	1972	NYSE	1.36	—	11.5
14.65	13.42	11¼	− 16.2	76.8	1973	NYSE	1.26	—	11.2
11.87	10.67	9¼	− 13.3	101.2	1972	NYSE	1.035	—	11.2
12.10	11.12	9	− 19.1	88.1	1973	NYSE	1.102	—	9.3
22.21	1942	17	− 12.5	102.2	1972	NYSE	1.99	.10	11.6
11.18	10.02	9⅛	− 8.9	49.9	1973	NYSE	1.08	—	11.8

DUAL-PURPOSE FUNDS

Capital Shares	TEN YEAR PERFORMANCE AND RANK Annual % Gain or Loss per Share										What $10,000 grew to	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 years 1975-1979	10 years 1970-1979
Gemini Fund P.O. Box 1100 Valley Forge, Pa. 19482	16.8	3.7	11.5	-45.5	-40.3	119.9	67.1	1.6	0.1	14.0	42,5681	18,719
Hemisphere Fund 522 Fifth Ave. New York, N.Y. 10036	-56.0	52.8	6.4	-80.7	-94.8	1025.0	302.2	-64.6	-100.0	—	282,500	2,021
Income & Capital Shares 535 Boylston Street Boston, Mass. 02116	-16.9	16.0	7.1	-30.8	-63.2	103.7	43.0	-19.9	-12.8	27.3	25,900	6,794
Leverage Fund of Boston One Beacon St. Boston, Mass. 02108	6.1	19.1	11.5	-40.2	-50.5	103.0	60.0	-5.8	14.9	22.0	42,907	17,878
Putnam Duofund 265 Franklin St. Boston, Mass. 02110	-16.5	31.8	22.2	-18.2	-59.7	130.1	69.2	-10.9	1.1	37.1	48,014	21,280
Scudder Duo-Vest 345 Park Avenue New York, N.Y. 10022	-3.7	22.5	29.9	-19.3	-40.7	33.1	39.1	-14.3	3.9	24.4	20,512	15,025

FUND	Date Organized	CAPITAL SHARES				Total Portfolio *	
		Initial Price Per Share	N.A.V Per Share 12/31/79	Market Value 12/31/79	Discount Or Premium %	Total Assets Millions $ 12/31/79	% Gain Or Loss/Share 1979
Gemini Fund	March 22, 1967	11.00	29.67	26	—12.4	68.3	24.9
Hemisphere Fund	June 21, 1967	11.44	1.13	2⅝	132.3	18.5	17.8
Income & Capital Shares	March 30, 1967	9.15	9.79	7⅞	—19.6	30.0	30.0
Leverage Fund of Boston	March 30, 1967	13.725	23.17	19½	—15.8	74.6	19.4
Putnam Duofund	July 13, 1967	9.12	13.30	10½	—21.1	25.0	19.7
Scudder Duo-Vest	April 5, 1967	9.15	12.02	10½	—12.6	117.1	17.4

* Adjusted for taxes paid on capital gains.

INCOME SHARES	Redemption Date	Redemption Price *	Minimum Cumulative Dividend	Dividends Paid 1979	Market Value 12/31/79	Yield %	Where Traded
Gemini Fund	Dec. 31, 1984	11.00	0.56	2.75	15¾	17.5	NYSE
Hemisphere Fund	June 30, 1985	11.44	0.625	.65	7⅞	8.3	NYSE
Income & Capital Shares	March 31, 1982	10.00	0.50	1.10	9¼	11.9	NYSE
Leverage Fund of Boston	Jan. 4, 1982	13.73	0.75	1.42	13⅛	10.8	NYSE
Putnam Duofund	Jan. 3, 1983	19.75	0.90-1.58	1.985	17¾	11.2	OTC
Scudder Duo-Vest	April 1, 1982	9.15	0.64	.904	8⅝	10.5	NYSE

*Plus accrued and unpaid dividends.

DIRECTORY OF MONEY MARKET FUNDS

Explanation Of Directory Terms

Money Market Fund. Gives the fund's name and address. The *Almanac* lists the major money market funds available to individuals, paying particular emphasis to money market funds that are part of mutual fund groups or which offer switching privileges. The *Almanac* excludes money market funds available only to financial institutions. For more complete data, write for Donoghue's Money Fund Directory, Box 540, Holliston, MA 01746 ($10).

Telephone Numbers. Generally speaking, the 800 number is for out-of-state investors. In-state investors should try calling the regular number collect.

Sales Charge. Shown as a percent of the offering price. None indicates a no-load fund. At present all money market funds listed in the *Almanac* are no-loads. (One has a $100 one time service fee.)

Minimum Investments. "Initial"—amount needed to open an account in the fund. "Subsequent"— minimum for additional sums invested in the fund.

Year Began. When organized. In some cases initial offerings came in a subsequent year.

Expedited Redemptions. "Checking" refers to a check redemption privilege. Upon receipt of a signature card and other forms, the fund furnishes shareholders with regular checks which can be made out to the order of any person just like any check drawn on a commercial bank. Checks should not be used to close an account, since the account balance grows daily as interest is credited and cannot be ascertained in advance. If the fund offers checking the tables show the minimum amount that can be written.

"By telephone" means that in response to a phone call or telex the fund will wire or mail funds to a predesignated account, typically (but not restricted to) your checking account in a commercial bank. Many funds have minimums on the amounts that can be redeemed by telephone. In most cases forms must be filled out in advance before telephone redemptions can be used. Sometimes the forms are part of the original application blank; in other instances special forms with signature guarantees are needed. See the fund's prospectus for complete detials.

In addition to expedited redemptions all funds will redeem the regular way; i.e., in response to a letter, usually with a signature guarantee required, particularly if the amount is more than a few hundred dollars.

Exchange Privileges. Funds that are members of groups typically provide exchange privileges with other funds in the group. If the exchange is from a no-load fund to a load fund it is usually necessary to pay a sales charge. In some, but not all cases, the exchange can be effected by phone. Some money market funds have set up exchange privileges with non-affiliated equity funds. E.g., shareholders in 44 Wall Street Fund, International Investors and Templeton can switch out of these equity funds to the Reserve Fund.

Yield. Annualized for 1979. Yield is computed on a total return basis taking into account fluctuations in the share price if any. The yield is net to the investor after management fees and expenses have been deducted. A few funds have service fees which will lower the stated yield. The yields of these funds are asterisked.

Dividend Policy. Dividends are declared daily (D) or monthly (M) and paid daily, monthly or quarterly (Q).

Valuation Method. 1. Constant net asset value, mark-to-market. 2. Variable net asset value, mark-to-market. 3. Constant net asset value, 120 day maximum average maturity. 4. Amortized cost, straight line accrual. See the Money Market Funds in the Objectives, Risks and Rewards section for a full discussion of these differences.

Assets. At year end in millions of dollars.

Year End Holdings. The table shows actual holdings at year end for types of investments accounting for 20% or more of the fund's portfolio. CDs of foreign branches of US banks are included in the CD column. The Other column may include agreements and letters of credit. Most funds concentrate their investments in the categories shown in the tables. However, many funds are authorized to own a wide range of other investments. Various money market fund prospectuses permit investing in savings accounts, Canadian government securities, Yankee CDs, reverse repurchase agreements, corporate obligations, thrift institution obligations, floating rate notes, documented discount notes and Eurodollar time deposits.

MONEY MARKET FUND

	Telephone Numbers	Sales Charge	Minimum Investment		Year Began	Expedited Redemption		Exchange Privileges
			Initial	Subsequent		Checking/ Minimum	By Telephone	
Alliance Capital Reserves 140 Broadway New York, N.Y. 10005	800-221-5672 212-425-4210	none	none	none	1978	$500	Yes	Yes
American General Reserve Fund 2777 Allen Parkway Houston, Texas 77019	800-231-3638 713-526-8561	none	1,000	100	1974	$1,000	Yes	Yes
American Liquid Trust 99 Hight St. Boston, Mass. 02110	800-225-2618 617-338-3300	none	none	none	1975	$500	Yes	Yes
Capital Preservation 755 Page Mill Road Palo Alto, Calif. 94306	800-227-8380 800-982-5844	none	1,000	none	1972	$500	Yes	No
Cash Equivalent Fund 120 S. La Salle St. Chicago, Il. 60603	312-346-3223	none	5,000	100	1979	$500	Yes	Yes
Cash Management Trust-America P.O. Box 60829, Terminal Ave. Los Angeles, Calif. 90060	800-421-8791 213-486-9562	none	1,000	50	1976	$500	Yes	Yes
Cash Reserve Management 1 Battery Park Plaza New York, N.Y. 10004	212-742-6097	none	10,000	1,000	1976	$500	Yes	No
Centennial Capital Cash Mgnt. Trust One New York Plaza New York, N.Y. 10004	800-221-5833 212-825-4000	none	1,000	none	1974	$500	Yes	No
Columbia Daily Income 621 S.W. Morrison St. Portland, Ore. 97205	800-547-1037 503-222-3600	none	1,000	500	1974	$500	Yes	No
Current Interest 711 Polk St. Houston, Texas 77002	713-751-2400	none	1,000	100	1974	$500	Yes	Yes
Daily Cash Accumulation 3600 S. Yosemite St. Denver, Co. 80237	800-525-9310 303-773-6483	none	1,000	100	1978	$500	Yes	Yes
Daily Income Fund 230 Park Ave. New York, N.Y. 10017	212-697-8088	none	5,000	500	1974	$500	Yes	Yes
Delaware Cash Reserves 7 Penn Center Plaza Philadephia, Pa. 19103	800-523-4640 215-988-1340	none	1,000	25	1978	$500	Yes	Yes
Dreyfus Liquid Assets 767 Fifth Ave. New York, N.Y. 10012	800-223-5525 212-223-0303	none	2,500	100	1974	$500	Yes	Yes
Eaton & Howard Cash Management Fund 24 Federal St. Boston, Mass. 02111	800-225-1578 617-482-8260	none	1,000	none	1975	$500	Yes	Yes
Federated Money Market, Inc. 421 Seventh Ave. Pittsburgh, Pa. 15219	800-245-2423 412-288-1948	none	1,000	100	1978	$250	Yes	Yes
Fidelity Cash Reserves 82 Devonshire Boston, Ma 02109	800-225-6190 617-726-0650	none	1,000	250	1979	$500	Yes	Yes
Fidelity Daily Income Trust 82 Devonshire St. Boston, Mass. 02109	800-225-6190 617-726-0250	none	5,000	500	1974	$500	Yes	Yes
Fidelity Tax Exempt Money Market Trust 82 Devonshire St. Boston, Mass. 02109	800-225-6190 617-726-0650	none	20,000	1,000	1979	$1,000	Yes	Yes
Financial Daily Income Shares 1050 Broadway Denver, Colo. 80201	800-525-9831 303-777-1233	none	1,000	100	1975	$500	Yes	Yes

Yield % 1979	Dividend Policy		Valuation Method	Assets Mil $ 12/31/79	Year End Holdings—20% Or More						
	Declared	Paid			U.S. Treas.	U.S. Other	CD's	Banker's Accept	Com'l Paper	Repos	Other
10.1	D	D	1	330.5			✓		✓		
10.9	M	M	3	36.6				✓	✓		
10.3	D	M	1	150.6				✓			
9.6	D	Q	1	496.0	✓						
—	D	M	1	546.5			✓		✓		
10.5	D	M	1	176.4					✓	✓	
10.4	D	Q	1	1999.3					✓		
9.9	D	M	1	22.8			✓			✓	
10.2	D	D	1	168.9				✓	✓		
10.1	D	D	3	300.2				✓	✓		
10.5	D	M	1	1284.2					✓		
10.0	D	D	3	392.0		✓	✓		✓		
10.6	D	M	2	246.5					✓		
10.4	D	D	3	2167.9			✓		✓		
10.4	D	M	2	58.0			✓		✓		
9.8	D	M	2	151.0			✓				
—	D	M	3	337.2			✓				
10.7	D	M	3	2367.0	✓		✓	✓	✓		
—	D	M	3	—							✓
10.4	D	M	2	62.2					✓		

*Yield reduced by service fee

MONEY MARKET FUND

	Telephone Numbers	Sales Charge	Minimum Investment		Year Began	Expedited Redemption		Exchange Privileges
			Initial	Subsequent		Checking/ Minimum	By Telephone	
First Investors Cash Mgmt. Fund 120 Wall St. New York, N.Y. 10005	212-425-4026	none	1,000	100	1974	No	Yes	Yes
First Variable Rate Fund For Gov't Inc. 1700 Pennsylvania Ave. Washington, D.C. 20001	800-424-9861 202-393-5330	none	2,500	100	1975	$500	Yes	Yes
Franklin Resources Liquid Assets Fund 155 Bovet Road San Mateo, Calif. 94402	415-574-8800	none	5,000	100	1975	$500	Yes	Yes
Fund Gov't Investors 1735 "K" St. N.W. Washington, D.C. 20006	202-452-9200	none	2,500	500	1974	$500	Yes	Yes
IDS Cash Management Fund 1000 Roanoke Bldg. Minneapolis, Minn. 55402	612-372-3131 800-328-8300	none	2,500	100	1975	$500	No	Yes
Intercapital Liquid Assets One Battery Park Plaza New York, N.Y. 10004	800-221-2685 212-422-6700	none	1,000	none	1975	$500	Yes	Yes
Johnston Cash Management Fund One Boston Place Boston, Mass. 02106	800-343-6324 617-722-7250	none	2,500	100	1979	$500	Yes	Yes
Kemper Money Market Fund 120 S. LaSalle St. Chicago, Ill. 60603	800-621-1048 312-346-3323	none	1,000	100	1974	$500	Yes	No
Lexington Money Market Trust 676 Hudson Terrace Englewood Cliffs, N.J. 07632	800-526-4791 201-567-2375	none	1,000	100	1978	$500	Yes	Yes
Liquid Capital Income 731 Nat'l Bank Bldg. Cleveland, Ohio 44114	800-321-2321 216-781-4440	none	1,000	500	1974	$500	Yes	No
Lord Abbett Cash Reserve Fund 63 Wall St. New York, N.Y. 10005	800-522-7519 212-425-8720	none	1,000	none	1979	$500	Yes	Yes
Lutheran Brotharhood Money Market Fund 701 Second Ave. S. Minneapolis, Minn. 55402	800-328-4552 612-339-8091	$100 Once	2,500	100	1979	$500	Yes	Yes
Massachusetts Cash Management Trust 200 Berkely St. Boston, Mass. 02116	800-343-2839 617-423-3500	none	1,000	none	1975	$500	Yes	Yes
Merrill Lynch Ready Assets Trust One Liberty Plaza New York, N.Y. 10006	800-221-7210 212-766-6310	none	5,000	1,000	1975	$500	Yes	Yes
Midwest Income Investment Co. 508 Dixie Terminal Bldg. Cincinnati, Ohio 45202	800-543-0407 513-579-0414	none	500	100	1974	$350	Yes	No
Money Mart Assets 100 Gold St. New York, N.Y. 10038	800-221-5168 212-791-7123	none	1,000	500	1976	$500	Yes	Yes
Money Shares One Wall St. New York, N.Y. 10005	212-269-8800	none	1,000	100	1978	$1,000	Yes	Yes
Mutual of Omaha, Money Mkt. Acc't. 3102 Farnham St. Omaha, Ne. 68131	800-228-9990 402-342-3328	none	2,500	100	1979	$500	Yes	Yes
National Liquid Reserves 605 Third Ave. New York, N.Y. 10016	800-223-7757 212-661-3014	none	2,500	100	1974	$500	Yes	Yes
NEL Cash Mgmt. Account 501 Boylston St. Boston, Mass. 02117	800-225-7670 617-267-6600	none	1,000	none	1978	$250	Yes	Yes
Oppenheimer Monetary Bridge One New York Plaza New York, N.Y. 10004	800-221-5348 212-825-4000	none	1,000	25	1974	$500	Yes	Yes

Yield % 1979	Dividend Policy		Valuation Method	Assets Mil $ 12/31/79	Year End Holdings—20% Or More						
	Declared	Paid			U.S. Treas.	U.S. Other	CD s	Banker s Accept	Com'l Paper	Repos	Other
10.5	D	M	1	76.2			✓	✓	✓		
10.3	D	Q	1	192.5	✓	✓					
10.4	D	D	1	91.5			✓		✓		
9.8	D	M	4	201.1	✓	✓					
10.4	D	M	2	177.6				✓	✓		
10.5	D	D	1	2647.5			✓		✓		
—	D	M/Q	3	29.5					✓		
10.8	D	M	1	618.0			✓		✓		
9.5	D	M	1,4	31.1					✓		
10.4	D	M	1	685.9		✓					✓
—	D	M	1	1<4.3					✓		
—	D	M	3	141.1			✓		✓		
10.5	D	M	1	152.1					✓		
10.6	D	D	1	8145.1			✓				
9.8	D	M	1	98.4		✓	✓			✓	
10.4	D	M	1	1114.6			✓		✓		
9.5	D	M	2	4.3					✓		
—	D	M	4	38.9					✓		
10.3	D	M	3	1067.2					✓		
10.3	D	M	1	133.8				✓	✓		
10.6	D	M	1	306.4					✓		

MONEY MARKET FUND	Telephone Numbers	Sales Charge	Minimum Investment		Year Began	Expedited Redemption		Exchange Privileges
			Initial	Subsequent		Checking/ Minimum	By Telephone	
Paine Webber Cash Fund 25 Broad St. New York, N.Y. 10004	212-437-2121	none	5,000	500	1978	$500	Yes	No
Putnam Daily Dividend Trust 265 Franklin St. Boston, Mass. 02110	800-225-1739 617-423-4960	none	2,000	500	1976	$500	Yes	Yes
Reserve Fund 810 Seventh Ave. New York, N.Y. 10019	800-223-5547 212-977-9880	none	1,000	1,000	1971	$500	Yes	Yes
Rowe Price Prime Reserve 100 E. Pratt St. Baltimore, Md. 21202	800-638-1527 301-547-2000	none	2,000	100	1975	$500	Yes	Yes
Scudder Cash Inv. Trust 175 Federal St. Boston, Mass. 02110	800-225-2470 617-482-3990	none	1,000	none	1975	$500	Yes	No
Scudder Managed Reserves 175 Federal St. Boston, Mass. 02110	800-225-2470 617-482-3990	none	1,000	none	1974	$500	Yes	Yes
Selected Money Market Fund 111 W. Washington St. Chicago, Ill. 60602	800-621-7321 312-630-2762	none	1,000	100	1977	$500	Yes	Yes
Shearson Daily Income 767 Fifth Ave. New York, N.Y. 10022	212-350-0500	none	5,000	1,000	1979	No	Yes	No
Short Term Yield Securities 1080 Dresser Tower Houston, Tx. 77002	713-654-0640	none	1,250	100	1978	$500	Yes	Yes
SteinRoe Cash Reserves 150 S. Wacker Drive Chicago, Ill. 60606	800-621-1142 312-368-7822	none	2,500	100	1976	$500	Yes	Yes
Union Cash Management Fund One Bankers Trust Plaza New York, N.Y. 10006	800-221-2450 212-432-4000	none	1,000	none	1977	$500	Yes	Yes
United Cash Mgnt. One Crown Center Kansas City, Mo. 64141	800-821-5664 800-892-5811	none	1,000	100	1979	$500	Yes	Yes
Value Line Cash 711 Third Ave. New York, N.Y. 10017	800-223-0818	none	1,000	100	1979	$500	Yes	Yes
Webster Cash Reserve Fund 10 Hanover St. New York, N.Y. 10022	212-747-5191	none	5,000	1,500	1979	No	Yes	No
Whitehall Money Market Trust P.O. Box 1100 Valley Forge, Pa. 19482	800-523-7910 800-362-7688	none	3,000	100	1975	$500	Yes	Yes

Yield % 1979	Dividend Policy		Valuation Method	Assets Mil $ 12/31/79	Year End Holdings—20% Or More					Repos	
	Declared	Paid			U.S. Treas.	U.S. Other	CD's	Banker's Accept	Com'l Paper	Other	Other
10.2	D	M	1	1541.4					✓		
10.2	D	M	1	75.4					✓		
10.7	D	D	1	1760.6			✓				
10.6	D	M	2	716.5			✓		✓		
10.2	D	M	3	104.9					✓		
10.0	D	M	2	439.7					✓		
10.4	D	M	3	13.9			✓		✓		
—	D	M	3	1274.2			✓				
10.4	D	M	1	13.2					✓		
10.7	D	Q	3	211.4				✓	✓		
10.7	D	M	2	187.3			✓		✓		
12.8	D	M	1	40.9				✓	✓		
10.3	D	M	2	17.9					✓		
—	D	M	3	324.6			✓		✓		
10.5	D	M	3	187.4			✓	✓	✓		

TOP 25 FUNDS EACH YEAR 1970-1979

(With Subsequent and/or Preceding Annual Performance)

1970's Top 25 Funds

Rank	FUND	% Gain or Loss per Share* 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	Founders Special Fund	21.3	35.6	25.3	-19.1	-19.9	0.7	16.9	12.8	6.9	53.7
2.	Paramount Mutual Fund	17.8	13.7	12.7	-21.7	-20.1	44.1	37.0	2.4	13.0	27.6
3.	Security Investment Fund	15.9	16.7	7.3	-15.6	-13.0	29.8	34.9	7.7	1.4	30.0
4.	Mutual of Omaha Income	13.5	16.3	5.4	-12.9	-13.7	26.5	26.1	0.5	2.1	7.0
5.	Franklin Utilities Series	13.4	-2.5	6.7	-29.1	-21.2	40.9	28.4	7.9	0.0	0.0
6.	Sentinel Bond Fund	13.0	8.2	8.0	-6.7	-20.4	21.7	19.6	3.4	1.5	0.2
7.	Fund for U.S. Gov't. Securities	12.6	7.7	5.6	2.4	1.8	8.4	12.6	1.3	1.6	1.2
8.	BLC Income Fund	12.6	12.2	13.5	-17.4	-13.9	48.9	34.1	-1.2	3.9	14.2
9.	Columbia Investors Fund	11.6	17.6	merged	–	–	–	–	–	–	–
10.	United Bond Fund	11.4	11.3	6.8	0.2	-8.5	13.3	21.0	3.8	0.6	-3.0
11.	Colonial Income Fund	11.1	15.5	9.0	0.2	-9.2	14.5	18.8	6.5	1.4	-0.7
12.	Corporate Leaders Trust	11.0	14.2	18.0	-8.6	-25.1	43.0	22.1	-4.6	-0.4	18.0
13.	Composite Bond & Stock Fd.	10.9	11.8	8.0	-8.9	-9.9	27.9	23.9	4.4	1.9	19.5
14.	Pine Street Fund	10.9	14.5	9.0	-11.0	-14.6	29.4	25.1	-3.4	4.9	19.5
15.	Keystone B-1 (Inv. Bond)	10.8	10.8	7.5	3.4	-2.1	10.1	15.3	4.0	1.7	3.6
16.	Nation-Wide Securities	10.7	12.5	10.7	-9.2	-14.2	29.9	25.4	-2.9	1.6	9.9
17.	Contrafund	10.6	9.0	16.3	-9.7	-13.6	40.1	35.8	-10.1	6.0	25.6
18.	State Farm Balanced Fund	10.5	9.4	9.4	-16.4	-13.8	27.3	24.2	3.5	9.7	26.2
19.	CG Income Fund	10.2	9.6	6.7	-8.8	-6.9	21.0	17.8	5.7	0.7	-0.5
20.	Kemper Total Return	9.9	15.2	10.2	-9.1	-16.2	34.6	34.6	4.6	10.4	29.5
21.	NEL Equity Fund	9.9	17.6	7.0	-1.0	-26.7	28.8	29.1	-3.3	8.4	24.6
22.	Washington National Fund	9.7	28.0	11.7	-23.3	-31.0	33.0	15.7	-5.7	–	
23.	National Preferred Fund	9.6	16.2	5.9	-15.7	-15.2	29.0	46.9	2.2	-0.3	1.6
24.	Lord Abbott Income Fund	9.5	11.6	13.2	-14.6	-11.3	34.1	32.3	2.8	1.1	3.9
25.	Oppenheimer A.I.M. Fund	9.3	33.4	11.8	-21.9	-32.5	29.1	19.5	-0.3	13.1	49.8

1971's Top 25 Funds

Rank	FUND	% Gain or Loss per Share* 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	Nicholas Fund	-24.4	85.5	28.1	-52.7	-33.3	47.	-22.7	20.3	25.3	30.5
2.	44 Wall Street Fund	5.5	70.8	-5.3	-46.8	-52.2	184.1	46.5	16.5	32.9	71.4
3.	Afuture Fund	-26.8	67.5	19.2	-31.0	-42.0	63.7	19.3	2.5	19.9	39.5
4.	American General Venture	–	61.1	29.8	-38.8	-40.9	86.8	25.3	25.9	25.3	44.2
5.	Rowe Price New Horizon	-11.6	53.0	21.4	-40.0	-38.3	38.9	11.0	12.6	20.5	35.0
6.	Redmond Growth Fund	–	48.8	17.3	-38.6	-35.1	24.7	22.4	–	–	
7.	IDS New Dimensions	-19.2	48.1	27.0	-28.4	-34.7	28.2	14.9	1.8	9.1	33.5
8.	GAC Growth Fund	-0.4	47.9	merged	–	–	–	–	–	–	–
9.	R.S. Hershey Fund	-31.0	47.4	13.6	–	–	–	–	–	–	–
10.	S & P/Inter. Dynamics	-15.1	47.4	9.4	-49.2	-27.0	–	–	–	–	–
11.	Security Ultra Fund	-10.3	47.1	19.0	-41.6	-26.4	48.4	54.9	3.0	22.4	56.2
12.	American Ins. & Industrial	-5.7	44.2	44.9	-25.6	-24.5	18.1	34.1	5.1	8.1	23.1
13.	IDS Progressive Fund	-20.6	44.1	11.7	-28.4	-37.7	30.8	15.8	0.5	8.8	18.3
14.	Davidge Early Bird Fund	1.9	43.9	6.2	-56.4	-30.7	27.6	33.4	–	–	–
15.	Keystone International	-19.9	43.3	17.3	-38.3	-33.9	36.2	10.8	-1.5	6.3	24.8
16.	Keystone Apollo Fund	-3.9	43.2	15.4	-39.1	-34.7	35.6	10.5	–	–	–
17.	Vencap Fund	-17.7	42.3	dissolved	–	–	–	–	–	–	–
18.	Audex Fund	–	42.0	15.0	-40.3	-29.2	58.9	19.0	–	–	–
19.	Pace Fund	-35.7	41.9	18.0	-42.5	-15.4	34.2	27.8	28.6	23.5	43.4
20.	Janus Fund	–	41.4	33.9	-16.0	-6.8	13.4	20.1	3.5	15.8	34.6
21.	Vance, Sanders Special Fund	-2.4	40.4	7.5	-33.6	-30.5	44.4	35.0	19.7	23.3	35.9
22.	Union Capital Fund	1.5	39.2	19.5	-37.6	-27.0	64.2	28.7	5.7	15.3	37.2
23.	Weingarten Equity Fund	1.5	33.5	17.0	-21.1	-33.2	33.1	16.4	18.7	26.7	50.3
24.	Harwick Fund	–	38.4	-0.2	merged	–	–	–	–	–	–
25.	Hartwell Growth Fund	-23.3	37.7	-9.5	-34.7	-24.7	30.9	25.2	17.0	18.9	40.6
	Average All Funds	**-5.7**	**17.1**	**9.3**	**-21.8**	**-22.3**	**29.6**	**23.6**	**1.8**	**8.3**	**21.1**

*Change in net asset value per share, with dividends and capital gains added.

1972's Top 25 Funds

Rank	FUND	% Gain or Loss per Share* 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	Templeton Growth Fund	-6.3	21.5	67.6	-8.6	-11.4	37.6	46.0	19.3	19.2	26.5
2.	International Investors	8.4	-3.4	60.2	92.0	11.5	-22.9	-28.4	31.6	9.3	169.8
3.	American Ins. & Industrial	-5.7	44.2	44.9	-25.6	-24.5	18.1	34.1	5.1	8.1	23.1
4.	Omega Fund	-24.6	21.0	43.8	-18.1	-19.9	13.6	50.0	0.3	7.3	35.8
5.	Twentieth Century Growth	-31.8	22.9	42.4	-21	-30.9	42.5	61.1	13.8	41.7	63.5
6.	Putnam Voyager Fund	-24.2	33.8	41.0	-16.7	-25.4	41.5	28.0	5.4	15.5	35.7
7.	Putnam Vista Fund	-21.0	20.3	36.4	-24.5	-25.8	32.2	22.7	-2.4	17.6	30.8
8.	Charter Fund	-17.0	36.2	36.1	-13.5	-27.1	32.7	41.6	5.0	30.2	41.9
9.	Janus Fund	–	41.4	33.9	-16.0	-6.8	13.4	20.1	3.5	15.8	34.6
10.	Life Insurance Investors	-6.4	29.1	32.3	-25.7	-31.4	10.7	42.3	13.6	13.7	28.0
11.	Scudder Development Fund	–	–	31.1	-46.1	-47.1	77.9	22.7	25.0	30.0	29.7
12.	Magellan Fund	-15.8	35.0	30.1	-39.9	-28.1	44.3	37.5	14.3	31.5	51.3
13.	American General Venture	–	61.1	29.8	-38.8	-40.9	86.8	25.3	25.9	25.3	44.2
14.	Afortress Fund	–	–	29.3	-4.2	merged	–	–	–	–	–
15.	Chemical Fund	-6.5	20.2	29.3	-14.0	-24.0	21.0	8.5	-8.1	11.3	23.8
16.	Scudder International Inv.	-5.5	6.4	28.6	-7.3	-24.5	29.3	6.1	-0.5	21.4	18.4
17.	USAA Capital Growth Fund	–	–	28.5	-37.6	-30.5	31.5	8.0	-5.7	4.7	21.9
18.	Nicholas Fund	-24.4	85.5	28.1	-52.7	-33.3	47.7	22.7	20.3	25.3	30.5
19.	Putnam Investors Fund	-2.8	32.1	28.0	-11.6	-25.4	21.2	20.3	-3.4	11.6	19.0
20.	Alpha Fund	-9.0	28.1	27.4	-31.5	-27.7	22.5	22.7	-4.2	11.4	23.4
21.	IDS New Dimensions	-19.2	48.1	27.0	-28.4	-34.7	28.2	14.9	1.8	9.1	33.5
22.	Cambridge Appreciation	–	–	26.7	-31.7	-39.5	37.0	-7.4	4.4	-15.3	22.2
23.	Transatlantic	-8.7	17.9	26.7	-3.0	-14.1	22.6	–	–	–	–
24.	Harvest Fund	–	16.0	26.6	-23.5	-33.8	24.0	merged	–	–	–
25.	Founders Special Fund	21.3	35.6	25.3	-19.1	-19.9	0.7	16.9	12.8	6.9	53.7

1973's Top 25 Funds

Rank	FUND	% Gain or Loss per Share* 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	International Investors	8.4	-5.6	60.2	92.0	11.5	-22.9	-28.4	31.6	9.3	169.8
2.	Wade Fund	1.7	16.4	12.4	17.6	-23.8	12.0	22.1	-5.8	5.2	36.4
3.	ISI Trust Fund Shares	–	9.6	11.9	13.4	7.6	3.4	-0.9	7.3	7.6	19.8
4.	Reserve Fund	–	–	5.7	7.4	10.9	6.5	–	–	–	–
5.	Anchor Reserve	–	–	–	6.6	8.5	6.0	merged	–	– –	
6.	ISI Income	-0.5	2.9	5.1	5.5	-0.7	5.7	5.8	6.3	4.8	23.5
7.	Security Bond	–	2.9	4.7	5.0	6.2	15.2	17.7	7.4	1.8	1.2
8.	Sentinel Growth	-17.5	14.5	19.6	4.3	–29.4	24.5	-8.9	–5.2	10.0	25.6
9.	Keystone B-1	10.8	10.8	7.5	3.4	-2.1	10.1	15.3	4.0	1.7	3.6
10.	Fund for U.S. Gov't Sec.	12.6	7.7	5.6	2.4	1.8	8.4	12.6	1.3	1.6	1.2
11.	Investors Selective	7.4	13.5	8.4	2.1	-3.0	13.8	20.1	2.8	2.1	0.1
12.	Bayrock Growth	-20.7	4.9	17.8	1.6	-41.2	merged	–	–	–	–
13.	Sentinel Trustees	–	–	16.2	1.2	-29.8	19.8	8.6	-5.2	–	–
14.	Franklin U.S. Gov't	–	6.5	5.1	1.1	2.2	6.9	12.8	1.7	-1.2	1.2
15.	Fidelity Corporate Bond	–	–	7.1	0.8	-3.2	10.1	16.8	4.9	1.4	1.4
16.	Franklin Life Bond	–	–	4.7	0.8	-6.1	8.1	–	–	–	–
17.	Delchester Bond	–	12.0	7.3	0.7	-8.5	16.1	21.6	5.8	2.1	1.8
18.	Capital Preservation	–	–	–	0.5	7.6	5.6	–	–	–	–
19.	United Bond	11.4	11.3	6.8	0.2	-8.5	13.3	21.0	3.8	0.6	-3.0
20.	Colonial Income	11.1	15.5	9.0	0.2	-9.2	14.5	18.8	6.5	1.4	-0.7
21.	American Birthright Trust	-12.0	10.9	4.7	0.1	0.5	3.0	20.9	-1.8	0.5	33.0
22.	Northeast Investors Trust	6.7	14.5	9.2	-0.1	-7.5	17.2	21.1	6.4	-0.7	-0.7
23.	Keystone B-2	7.4	17.1	9.1	-0.8	-7.3	18.8	22.0	7.0	2.0	5.9
24.	NEL Equity	9.9	17.6	7.0	-1.0	-28.7	28.8	29.1	-3.3	8.4	24.6
25.	Lutheran Brotherhood Income	–	–	–	-1.3	-9.6	19.7	18.2	4.9	2.5	3.9
	Average All Funds	-5.7	17.1	9.3	-21.8	-22.3	29.8	23.6	1.8	8.3	21.1

*Change in net asset value per share, with dividends annd capital gains added.

1974's Top 25 Funds

Rank	FUND	% Gain or Loss per Share* 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	Sherman Dean Fund	-21.0	5.8	-17.7	-35.4	24.8	20.4	31.3	2.5	28.3	36.4
2.	International Investors	8.4	-5.6	57.3	92.0	11.5	-22.9	-28.4	31.6	9.3	169.8
3.	Reserve Fund	–	–	5.7	7.4	10.9	6.5	–	–	–	–
4.	Money Market Management	–	–	–	–	10.3	6.1	–	–	–	–
5.	Dreyfus Liquid Assets	–	–	–	–	8.9	6.4	–	–	–	–
6.	Mutual Shares Corp.	-9.2	22.1	0.5	-8.5	8.6	35.0	55.2	15.4	18.3	42.8
7.	Anchor Reserve	–	–	–	–	8.5	6.0	merged	–	–	–
8.	Lexington Income	–	–	–	–	8.2	7.5	13.6	3.7	-0.6	0.7
9.	Capital Preservation	–	–	–	0.5	7.6	6.6	–	–	–	–
10.	ISI Trust Fund Shares	–	9.6	11.9	13.4	7.6	3.4	-0.9	7.3	7.6	19.8
11.	American Fund of Gov. Sec.	–	–	–	–	6.9	7.1	13.3	1.0	1.5	4.6
12.	Security Bond	–	2.9	4.7	5.0	6.2	5.2	17.7	7.4	1.8	1.2
13.	Research Capital	-48.7	33.4	11.9	-26.7	3.8	21.5	-30.5	31.9	9.9	138.2
14.	Fund For Fed. Sec.	–	–	–	–	3.5	7.2	–	–	–	–
15.	Partners Fund	-8.6	13.5	-8.3	-26.5	3.2	17.9	30.9	6.9	16.4	42.4
16.	Mutual of Omaha America	–	–	–	–	2.5	8.3	13.3	1.6	2.0	5.2
17.	Franklin U.S. Gov't.	–	6.5	5.1	1.1	2.2	6.9	12.8	1.7	-1.2	1.2
18.	Fund for U.S. Gov't. Sec.	12.6	7.7	5.6	2.4	1.8	8.4	12.6	1.3	1.6	1.2
19.	Babson Income Trust	-15.5	6.9	8.8	-2.9	1.6	8.7	11.2	2.7	0.7	2.4
20.	Fore Fund	–	–	–	–	1.5	19.2	merged	–	–	–
21.	Rowe Price New Income	–	–	–		0.9	11.2	14.0	5.4	4.3	7.6
22.	American Birthright Trust	-12.0	10.9	4.7	0.1	0.5	3.0	20.9	-1.8	0.5	33.0
23.	ISI Income Fund	-0.5	2.9	5.1	5.5	-0.7	5.7	5.8	6.3	4.8	23.5
24.	Vance, Sanders Income	–	–	–		-1.4	10.2	14.6	4.4	1.7	0.5
25.	Keystone B1	10.8	10.8	7.5	3.4	-2.1	10.1	15.3	4.0	1.7	3.6

1975's Top 25 Funds

Rank	FUND	% Gain or Loss per Share* 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	44 Wall Street Fund	5.9	70.8	-5.3	-46.8	-54.2	184.1	46.5	16.5	32.9	71.4
2.	Pennsylvania Mutual	-53.8	4.2	-3.5	-48.5	-46.0	121.1	49.0	23.7	15.7	35.6
3.	Oppenheimer Special	–	–	–	–	-12.1	92.0	40.2	20.0	18.2	35.1
4.	Sigma Venture Shares	–	29.7	21.5	-45.0	-36.5	88.1	24.4	40.1	22.1	33.4
5.	American General Venture	–	6.1	29.8	-38.3	-40.9	86.8	25.3	25.9	25.3	44.2
6.	Scudder Development	–	–	31.1	-46.1	-47.4	77.9	22.7	25.0	30.0	29.7
7.	Comstock Fund	-17.4	12.5	-1.1	-17.1	-16.8	64.3	34.0	13.9	13.7	40.7
8.	Union Capital	1.5	39.2	19.5	-37.6	-27.0	64.2	28.7	5.7	15.3	37.2
9.	Cumulo Fund	–	-5.2	9.5	-48.7	-51.4	63.8	27.6	–	–	–
10.	Afuture Fund	-26.8	67.5	19.2	-31.0	-42.0	63.7	19.3	3.5	19.9	39.5
11.	Sequoia Fund	–	13.0	3.9	-23.0	-17.7	61.6	70.8	19.3	23.5	11.9
12.	General Securities	-5.9	-0.9	-4.1	-30.1	-15.7	61.4	35.6	-2.9	16.0	13.3
13.	Unifund	0.2	32.3	-1.7	-41.8	-26.3	60.4	32.6	–	–	–
14.	Evergreen Fund	–	–	–	-26.2	-21.4	60.1	48.9	25.1	38.0	39.7
15.	Value Line Leveraged Growth	–	–	–	47.7	-30.6	59.1	46.9	51.5	27.6	23.9
16.	Audax Fund	–	42.0	15.0	-40.3	-29.2	58.9	19.0	–	–	–
17.	Oppenheimer Time Fund	–	–	21.9	-43.4	-44.1	58.5	32.7	15.0	18.9	40.9
18.	Sigma Capital Shares	-20.0	22.5	13.2	-38.9	-28.9	56.9	35.3	5.3	8.2	28.3
19.	Kemper Summit	-0.9	25.7	7.0	-27.5	-33.9	56.4	32.5	12.6	18.7	41.3
20.	Cardinal Fund	-19.7	24.5	6.1	-40.1	-21.9	56.2	35.5	4.2	13.0	22.7
21.	Mathers Fund	2.0	19.6	15.8	-34.5	-29.7	55.4	43.7	13.9	14.2	40.3
22.	Industry Fund of America	-26.4	6.0	-3.3	-31.1	-48.9	55.2	20.9	-0.2	14.9	57.6
23.	Twentieth Century Select	-0.6	8.4	11.6	-3.3	-29.7	54.9	27.8	24.5	34.5	40.7
24.	Dreyfus Third Century	–	–	–	-12.5	-29.3	54.8	23.5	13.0	10.3	56.5
25.	Windsor Fund	6.0	6.9	9.3	-24.4	-16.3	54.1	45.2	0.6	8.5	21.7
25.	SAFECO Special Bond	–	–	7.7	-36.3	-15.4	54.1	10.8	-0.1	1.0	4.3
	Average All Funds	-5.7	17.1	9.3	-21.8	-22.3	29.6	23.6	1.8	8.3	21.1

Change in net asset value per share, with dividends and capital gains added.

1976's Top 25 Funds

Rank	FUND	% Gain or Loss per Share* 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	Resources Growth	-43.2	27.3	17.6	-44.7	-17.0	45.2	111.2	–	–	–
2.	Sequoia Fund	–	13.0	3.9	-23.4	-17.7	61.6	70.8	19.3	23.5	11.9
3.	Able Associates	–	–	-2.9	-25.5	-40.7	25.7	68.4	7.2	6.9	79.1
4.	Acorn Fund	–	31.2	8.5	-22.0	-27.2	36.5	64.4	17.9	16.7	46.8
5.	Twentieth Century Growth	-31.8	22.9	42.4	-21.6	-30.9	42.5	61.1	13.8	41.7	63.5
6.	Pioneer II	-7.1	24.6	20.3	-8.0	-21.4	49.8	59.7	22.9	14.8	31.4
7.	SAFECO Growth	-25.1	20.2	1.4	-38.5	-29.4	52.1	58.9	16.0	18.0	33.7
8.	Mutual Shares Corp.	-9.2	22.1	0.5	-8.5	8.6	35.0	55.2	15.4	18.3	42.8
9.	Security Ultra	-10.3	47.1	19.0	-41.6	-36.4	48.4	54.9	3.0	22.4	56.2
10.	Value Line Spec. Sit.	-33.5	17.6	-11.0	-45.7	-29.2	47.0	52.6	12.3	27.6	43.4
11.	Lindner Fund	–	–	–	–	-10.77	42.5	52.2	29.8	22.8	27.9
12.	Omega Fund	-24.6	21.4	43.8	-18.1	-19.9	13.6	50.0	0.3	7.3	35.8
13.	Pennsylvania Mutual	-53.8	4.2	-3.5	-48.5	-46.0	121.1	49.0	23.7	5.7	35.6
14.	Evergreen Fund	–	–	–	-26.2	-21.4	60.1	48.9	25.1	8.0	39.7
15.	Lexington Growth	-16.8	27.2	13.5	-42.6	-23.3	46.1	47.5	11.5	30.7	26.3
16.	National Preferred	9.6	16.2	5.9	-15.7	-15.2	29.0	46.9	2.2	-0.3	1.6
17.	Value Line Lev. Growth	–	–	–	-47.7	-30.6	59.1	46.9	51.1	27.6	23.9
18.	Vanderbilt Income	-18.7	10.1	12.9	-47.4	-40.8	26.1	46.6	–	–	–
19.	44 Wall Street	5.9	70.8	-5.3	-46.8	-52.2	184.1	46.5	16.5	32.9	71.4
20.	Templeton Growth	-6.3	21.5	67.6	-8.6	-11.4	37.6	46.0	19.3	19.2	26.5
21.	Windsor Fund	6.0	6.9	9.3	-24.4	-16.3	54.1	45.2	0.6	8.5	21.7
22.	Hamilton Income	–	29.4	15.6	-3.5	-15.9	51.7	44.6	-2.6	6.3	23.7
23.	Armstrong Associates	7.8	12.5	13.2	-33.6	-31.6	53.0	44.4	-0.8	29.7	25.2
24.	Fidelity Equity Income	-4.0	13.2	4.5	-10.8	-18.9	43.4	44.1	4.8	11.2	30.0
25.	Mathers Fund	2.0	19.6	15.8	-34.5	-29.7	55.4	43.7	13.9	14.2	40.3

1977's Top 25 Funds

Rank	FUND	% Gain or Loss per Share* 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	Value Line Leverage Growth	–	–	–	-47.7	-30.6	59.1	46.9	51.1	27.6	23.9
2.	United Services	–	15.7	4.3	-40.3	-32.3	-37.1	-40.7	42.7	5.5	172.9
3.	Strategic Investments	–	–	–		–	–	-48.7	42.5	11.4	182.5
4.	Sigma Venture Shares	–	29.7	21.5	-45.0	-36.5	88.1	24.4	40.1	22.1	33.4
5.	Research Capital	-48.7	33.4	11.9	-26.7	3.8	-21.5	-30.5	31.9	9.9	138.2
6.	International Investors	8.4	-5.6	57.3	92.0	11.5	-22.9	-28.4	31.6	9.3	169.8
7.	Lindner Fund	–	–	–		–	–	52.2	29.8	22.8	27.9
8.	Pace Fund	35.7	41.9	18.0	-42.5	-15.4	34.2	27.8	28.6	23.5	43.4
9.	Explorer Fund	-25.7	24.6	21.1	-25.6	-35.0	22.3	17.1	28.2	20.4	33.8
10.	American General Venture	–	61.1	29.8	-38.8	-40.9	86.8	25.3	25.9	25.3	44.2
11.	Evergreen Fund	–	–	–	-26.2	-21.4	60.1	48.9	25.1	38.0	39.7
12.	Scudder Development Fund	–	–	31.1	-46.1	-47.1	77.9	22.7	25.0	30.0	29.7
13.	Twentieth Century Select	-0.6	8.4	11.6	-3.3	-29.7	54.9	27.8	24.5	34.5	40.7
14.	Pennsylvania Mutual Fund	-53.8	4.2	-3.5	-48.5	-46.0	121.1	49.0	23.7	15.7	35.6
15.	Pioneer II	-7.1	24.6	20.3	-8.0	-21.4	-49.8	59.7	22.9	14.8	31.4
16.	OTC Securities	-10.3	15.8	14.1	-15.7	-7.9	23.0	37.9	21.5	30.2	54.4
17.	Nicholas Fund	-24.4	85.5	28.1	-52.7	-33.3	42.7	22.7	20.3	25.3	30.5
18.	Oppenheimer Special Fund	–	–	–	–	-12.1	92.0	40.2	20.0	18.2	35.1
19.	Rainbow Fund	-34.9	-4.3	0.6	-54.5	-30.4	27.7	30.1	19.9	0.0	31.8
20.	Growth Fund of America	4.1	14.8	-20.8	-26.2	-21.9	35.5	18.2	19.8	26.8	45.4
21.	Vance Sanders Special	-2.4	40.4	7.5	-33.6	-30.5	44.4	35.0	19.7	23.3	35.9
22.	Sequoia Fund	–	13.0	3.9	-23.0	-17.7	61.6	70.8	19.3	23.5	11.9
23.	Templeton Growth Fund	-6.3	21.5	67.6	-8.6	-11.4	37.6	46.0	19.3	19.2	26.5
24.	Lindner Fund for Income	–	–	–	–	–	–	–	18.8	14.1	12.1
25.	Weingarten Equity Fund	1.5	38.5	17.0	-21.1	-33.2	33.1	16.4	18.7	26.7	50.3
	Average All Funds	-5.7	17.1	9.3	-21.8	-22.3	29.6	23.6	1.8	8.3	21.1

*Change in net asset value per share, with dividends and capital gains added.

1978's Top 25 Funds

Rank	FUND	% Gain or Loss per Share*									
		1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	Nomura Cap. Fd Japan	–	–	–	–	–	–	–	-5.8	58.4	-14.2
2.	G.T. Pacific	–	–	–	–	–	–	–	–	50.9	-20.3
3.	Twentieth Cent. Growth	-31.8	22.9	42.4	-21.6	-30.9	42.5	61.1	13.8	41.7	63.5
4.	Evergreen	–	–	–	-26.2	-21.4	60.1	48.9	25.1	38.0	39.7
5.	Lord Abbett Dev. Gr.	–	–	–	–	-36.1	38.9	19.5	13.1	35.4	28.7
6.	Twentieth Cent. Select	-0.6	8.4	11.6	-3.3	-29.7	54.9	27.8	24.5	34.5	40.7
7.	44 Wall St.	5.9	70.8	-5.3	-46.8	-52.2	184.1	46.5	16.5	32.9	71.4
8.	Amer. Gen. Growth	-10.0	26.4	24.1	-18.7	-25.9	14.8	33.2	3.2	32.2	49.8
9.	Magellen	-15.8	33.5	31.6	-39.9	-28.1	44.3	37.5	14.3	31.5	51.3
10.	Lexington Growth	-16.8	27.2	13.5	-42.6	-23.3	46.1	47.5	11.5	30.7	26.3
11.	Charter	-17.0	36.2	36.1	-13.5	-27.1	32.7	41.6	5.0	30.2	41.9
12.	Over-the-Counter Sec.	-10.3	15.8	14.1	-15.0	-7.9	23.0	37.9	21.5	30.2	54.4
13.	Scudder Development	–	–	– 31.1	-46.1	-47.1	77.9	22.7	25.0	3.0	29.7
14.	Armstrong Assoc.	7.8	12.5	13.2	-33.6	-31.6	53.0	44.4	-0.8	29.7	25.2
15.	Sherman Dean	-21.0	5.8	-17.7	-35.4	24.8	20.4	31.3	2.5	28.3	36.4
16.	Value Line Lev. Gr.	–	–	–	-47.7	-30.6	59.1	46.9	51.5	27.6	23.9
17.	St. Paul Growth	-11.7	26.6	19.8	24.7	-19.0	17.8	29.8	2.5	27.5	37.7
18.	Growth Fund Amer.	4.1	14.8	-20.8	-26.2	-21.9	35.5	18.2	19.8	26.8	45.4
19.	Weingarten Equity	1.5	38.5	17.0	-21.1	-33.2	33.1	16.4	18.7	26.7	50.3
20.	NEL Growth	-9.3	19.9	17.8	-15.3	-31.9	23.6	18.0	-0.2	26.2	26.9
21.	Nicholas	-24.4	85.5	28.1	-52.7	-33.3	47.7	22.7	20.3	25.3	30.5
22.	Amer. Gen'l Venture	–	61.1	29.8	-38.8	-40.9	86.8	25.3	25.9	25.3	44.2
23.	Philadelphia	-4.4	21.3	16.9	-22.4	-20.9	35.4	31.5	3.9	24.6	26.6
24.	Edie Special	-1.7	34.3	16.5	-40.4	-32.1	40.1	6.8	7.8	24.4	–
25.	Loomis Sayles Cap.	-3.9	22.0	17.1	-12.7	-34.7	22.1	18.9	-0.5	24.0	13.3

1979's Top 25 Funds

Rank	FUND	% Gain or Loss per Share*									
		1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1.	Strategic Investments	–	–	–	–	–	–	-48.7	42.5	11.4	182.5
2.	United Services	–	15.7	4.3	-40.3	-32.3	-37.1	-40.7	42.7	5.5	172.9
3.	International Investors	8.4	-5.6	57.3	92.0	11.5	-22.9	-28.4	31.6	9.3	169.8
4.	Research Capital	-48.7	33.4	11.9	-26.7	3.8	-21.5	-30.5	31.9	9.9	138.2
5.	Golconda	-6.1	4.9	7.4	-32.5	-17.8	-21.9	-30.6	13.1	12.7	116.6
6.	Able Associates	–	–	-2.9	-24.5	-40.7	25.7	68.4	7.2	6.9	79.1
7.	Constellation Gr.	-47.5	2.0	5.8	-16.3	-26.4	39.8	23.0	-3.6	21.1	76.8
8.	44 Wall St.	5.9	70.8	-5.3	-46.8	-52.2	184.1	46.5	16.5	32.9	71.4
9.	American Investors	-20.3	4.3	10.7	-15.3	-29.7	17.9	34.8	5.1	1.6	63.6
10.	Twentieth Cent. Gr.	-31.8	22.9	42.4	-21.6	-30.9	42.5	61.1	13.8	41.7	63.5
11.	Oppenheimer Directors	–	–	–	–	–	–	–	–	–	63.3
12.	Industry Fund America	-26.4	6.0	-3.3	-31.1	-48.9	55.2	20.9	0.7	14.9	57.6
13.	Dreyfus Third Century	–	–	–	-12.5	-29.3	54.8	23.5	13.0	10.3	56.5
14.	Price New Era	-0.8	10.5	20.3	-2.0	-25.7	20.7	20.9	-4.0	11.2	56.2
15.	Security Ultra	-10.3	47.1	19.0	-41.6	-26.4	48.4	54.9	3.0	22.4	56.2
16.	Hartwell Leverage	-22.2	35.8	-20.7	-17.8	-23.7	34.5	34.6	16.6	11.3	55.4
17.	OTC Securities	-10.3	15.8	14.1	-15.0	7.9	23.0	37.9	21.5	30.2	54.4
18.	Capital Shares	-16.2	16.7	7.0	-23.6	-35.8	31.2	43.2	6.7	4.0	53.7
19.	Founders Special	21.3	35.6	25.3	-19.1	-19.9	0.7	16.9	12.8	6.9	53.7
20.	Heritage	-31.0	14.5	21.9	-43.3	-52.4	37.2	22.4	16.0	5.9	53.4
21.	Mass. Capital Dev.	–	–	-17.5	-27.0	-29.3	24.6	21.0	14.6	19.5	52.1
22.	American Growth	6.6	12.0	8.1	-9.5	-25.0	35.3	29.2	11.3	7.5	51.7
23.	AMCAP	-1.9	18.8	13.2	-32.3	-27.8	52.0	30.2	16.0	21.9	51.3
24.	Magellan	-15.8	33.5	31.6	-39.9	-28.1	44.3	37.5	14.3	31.5	51.3
25.	Stein RF Cap. Op.	-10.0	25.1	24.4	-21.4	-36.5	32.2	24.6	5.7	16.4	50.9
	Average All Funds	-5.7	17.1	9.3	-21.8	-22.3	29.6	23.6	1.8	8.3	21.1

Change in net asset value per share, with dividends and capital gains added.

TOP 50 FUNDS FOR 1975-1979 PERIOD

(Annual and Cumulative Performance)

		% Gain or Loss per Share*										What $10,000 Grew to	
	Fund	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	5 yrs 1975-79	10 yrs 1970-79
1	44 Wall St.	5.9	70.8	-5.3	-46.8	-52.2	184.1	46.5	16.5	32.9	71.4	110,451	48,110
2	Pennsylvania Mutual	-53.8	4.2	-3.5	-48.5	-46.0	121.1	49.0	23.7	15.7	35.6	63,935	8,258
3	Twentieth Century Gr.	-38.1	22.9	42.4	-21.6	30.9	42.5	61.1	13.8	41.7	63.5	60,526	39,139
4	Evergreen	—	—	—	-26.2	-21.4	60.1	48.9	25.1	38.0	39.7	57,261	—
5	Value Line Lev. Gr.	—	—	—	-47.7	-30.6	59.1	46.9	51.5	27.6	23.9	55,980	—
6	Sigma Venture	—	29.7	21.5	-45.0	-36.5	88.1	24.4	40.1	22.1	33.4	53,396	—
7	American Gen. Venture	—	61.1	29.8	-38.8	-40.9	86.8	25.3	25.9	25.3	44.2	53,244	—
8	Oppenheimer Special	—	—	—	—	-12.1	92.0	40.2	20.0	18.2	35.1	51,582	—
9	Twentieth Cent. Select	-0.6	8.4	11.6	-3.3	-29.7	54.9	27.8	24.5	34.5	40.7	46,643	38,129
10	Scudder Development	—	—	31.1	-46.1	-47.1	77.9	22.7	25.0	30.0	29.7	46,005	—
11	Sequoia	—	13.0	3.9	-23.0	-17.7	61.6	70.8	19.3	23.5	11.9	45,506	—
12	Security Ultra	-10.3	47.1	19.0	-41.6	-26.4	48.4	54.9	3.0	22.4	56.2	45,268	30,552
13	Magellan	-15.8	33.5	31.6	-39.9	-28.1	44.3	37.5	14.3	31.5	51.3	45,121	28,842
14	Pioneer II	-7.1	24.6	20.3	-8.0	-21.4	49.8	59.7	22.8	14.8	31.4	44,352	44,660
15	Lindner	—	—	—	—	-10.7	42.5	52.2	29.8	22.8	27.9	44,215	—
16	SAFECO Growth	-25.1	20.2	1.4	-38.5	-29.4	52.1	58.7	16.0	18.0	33.7	44,174	17,510
17	Value Line Spec. Sit.	-33.5	17.6	-11.0	-45.7	-29.2	47.0	52.6	12.3	21.1	43.4	43,743	11,705
18	Able Associates	—	—	-2.9	-24.5	-40.7	25.7	68.4	7.2	6.9	79.1	43,446	—
19	Acorn	—	31.2	8.5	-22.0	-27.3	30.5	64.4	17.9	16.7	46.8	43,335	—
20	AMCAP	-1.9	18.8	13.2	-32.3	-27.8	52.0	30.2	16.0	21.9	51.3	42,341	27,303
21	Comstock	-17.4	12.5	-1.1	-17.1	-16.8	64.3	34.0	13.9	13.7	46.7	41,827	26,513
22	Over-the-Counter Sec.	-10.3	15.8	14.1	-15.0	7.9	23.0	37.9	21.5	30.2	54.4	41,429	38,441
23	Mutual Shares	-9.2	22.1	0.5	-8.5	8.6	35.0	55.2	15.4	18.3	42.8	40,845	45,213
24	Mathers	2.0	19.6	15.8	-34.5	-29.7	55.4	43.7	13.9	14.2	40.3	40,753	26,312
25	Oppenheimer Time	—	—	21.9	-43.4	-44.1	58.2	32.7	15.0	18.9	40.9	40,523	—
26	Lexington Growth	-16.8	27.2	13.5	-42.6	-23.3	46.1	47.5	11.5	30.7	26.3	39,662	20,974
27	Pace	-35.7	41.9	18.0	-42.5	-15.4	34.2	27.8	28.6	23.5	43.4	39,457	20,665
28	Fidelity Destiny	—	16.7	15.6	-22.7	-19.5	54.0	43.6	12.0	21.7	30.6	39,303	—
29	Kemper Summit	-0.9	25.7	7.0	-27.5	-33.9	56.4	32.5	12.6	18.7	41.3	39,136	24,998
30	Vance Sanders Special	-2.4	40.4	7.5	-33.6	-30.5	44.4	35.0	19.7	23.3	35.9	39,102	26,581
31	PLITREND	-10.0	14.8	13.4	-17.1	-31.9	36.9	35.8	17.2	22.8	45.9	39,039	25,821
32	Dreyfus Third Century	—	—	—	-12.5	-29.3	54.8	23.5	13.0	10.3	56.5	37,290	—
33	Value Line	-24.9	17.1	10.5	-29.8	-21.6	39.0	42.5	9.4	19.3	43.5	37,096	19,840
34	Hartwell Leverage	-22.2	35.8	-20.7	-17.8	-23.7	34.5	34.6	16.6	11.3	55.4	37,032	18,951
35	Charter	-17.0	36.2	36.1	-13.5	-27.1	32.7	41.6	5.0	30.2	41.9	36,450	35,364
36	Templeton Growth	-6.3	21.5	67.6	-8.6	-11.4	37.6	46.0	19.3	19.2	26.5	36,030	55,840
37	Nicholas	-24.4	85.5	28.1	-52.7	-33.3	47.7	22.7	20.3	25.3	30.5	35,650	20,205
38	Armstrong Assoc.	7.8	12.5	13.2	-33.6	31.6	53.0	44.4	-0.8	29.7	25.2	35,589	22,190
39	Constellation Gr.	-47.5	2.0	5.8	-16.3	-26.4	39.8	23.0	-3.6	21.1	76.8	35,490	12,386
40	Growth Fund America	4.1	14.8	-20.8	-26.2	-21.9	35.5	18.2	19.8	26.8	45.4	35,373	19,301
41	Union Capital	1.5	39.2	19.5	-37.6	-27.0	64.2	28.7	5.7	15.3	37.2	35,336	27,176
42	Eagle Growth Shares	—	—	8.4	-24.0	-22.6	39.1	39.6	9.1	17.5	41.1	35,124	—
43	Dreyfus No. Nine	—	—	—	-25.6	-16.5	35.6	29.0	7.0	20.0	44.9	35,068	—
44	Weingarten Equity	1.5	38.5	17.0	-21.1	-33.2	33.1	16.4	18.7	26.7	50.3	35,021	30,359
45	Keystone S-4	-21.1	35.2	13.0	-40.5	22.0	36.8	32.5	8.8	19.9	46.5	34,641	13,913
46	Pilgrim	-4.8	26.6	11.0	-39.5	-30.1	45.3	28.0	11.8	21.1	35.5	34,119	19,304
47	Afuture	-26.8	67.5	19.2	-31.0	-42.0	63.7	19.3	3.5	19.9	39.5	33,807	19,774
48	Industry Fund America	-26.4	6.0	-3.3	-31.1	-48.9	55.2	20.9	0.7	14.9	57.6	33,713	9,088
49	SteinRoe Special	—	—	—	—	—	50.1	22.2	14.8	6.4	47.2	32,979	—
50	State Farm Growth	-11.4	3.7	14.3	-12.3	-26.7	43.1	39.1	3.2	12.1	43.1	32,802	22,145

*Change in net asset value per share, with dividends and capital gains added. "What $10,000 Grew To" does not take into account sales charges on initial investment or any capital gains or income taxes that would have to be paid.

TOP 50 FUNDS FOR 1970-1979 PERIOD

(Annual and Cumulative Performance)

		% Gain or Loss per Share*										What $10,000 Grew to 5 yrs	What $10,000 Grew to 10 yrs
	Fund	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1975-79	1970-79
1	International Investors	8.4	-5.6	60.2	92 0	11.5	-22.9	-28.4	31.6	9.3	169.8	21,422	75,181
2	Templeton Growth	-6.3	21.5	67.6	-8.6	-11.4	37.6	46.0	19.3	19.2	26.5	36,030	55,840
3	44 Wall Street	5.9	70.8	-5.3	-46.8	-52.2	184.1	46.5	16.5	32.9	71.4	110,451	48,110
4	Mutual Shares	-9.2	22.1	0.5	-8.5	8.6	35.0	55.2	15.4	18.3	42.8	40,845	45,215
5	Pioneer II	-7.1	24.6	20.3	-8.0	-21.4	49.8	59.7	22.9	14.8	31.4	44,352	44,660
6	Twentieth Century Gr.	-38.1	22.9	42.4	-21.6	-30.9	42.5	61.1	13.8	41.7	63.5	60,526	39,139
7	Over-the-Counter Sec.	-10.3	15.8	14.1	-15.0	7.9	23.0	37.9	21.5	30.2	54.4	41,429	38,441
8	Twentieth Cent. Select.	-0.6	8.4	11.6	-3.3	-29.7	54.9	27.8	24.5	34.5	40.7	46,643	38,129
9	Charter	-17.0	36.2	36.1	-13.5	-27.1	32.7	41.6	5.0	30.2	41.9	36,450	35,364
10	Founders Special	21.3	35.6	25.3	-19.1	-19.9	0.7	16.9	12.8	6.9	53.7	23,235	31,500
11	Security Ultra	-10.3	47.1	19 0	-41.6	-26.4	48.4	54.9	3.0	22.4	56.2	45,268	30,552
12	Weingarten Equity	1.5	38.5	17.0	-21.0	-33.2	33.1	16.4	18.7	26.7	50.3	35,021	30,359
13	Kemper Total Return	9.9	15.2	10.2	-9.1	-16.2	34.6	34.6	4.6	10.4	29.5	27,391	29,110
14	Magellan	-15.8	33.5	31.6	-39.9	-28.1	44.3	37.5	14.3	31.5	51.3	45,121	28,842
15	Pioneer	0.7	13.2	14.9	-3.4	-17.2	38.1	35.9	3.4	11.5	26.7	27,415	28,721
16	American Growth	6.6	12.0	8.1	-9.5	-25.0	35.3	29.2	11.3	7.5	51.7	31,728	27,795
17	Guardian Mutual	2.2	15.7	11.4	-12.5	-14.8	40.1	34.9	1.3	8.4	35.4	28,100	27,594
18	Paramount Mutual	17.8	13.7	12.7	-21.7	-20.1	44.1	37.0	2.4	13.0	27.6	29,148	27,527
19	Financial Industrial Inc.	-4.4	17.4	10.5	-4.2	-12.7	38.3	39.9	3.9	1.6	29.1	26,369	27,349
20	AMCAP	-1.9	18.8	13.2	32.3	-27.8	52.0	30.2	16.0	21.9	51.3	42,341	27,303
21	Security Investment	15.9	16.7	7.3	-15.6	-13.0	33.2	34.9	7.7	1.4	30.0	25,510	27,185
22	Union Capital	1.5	39.2	19.5	-37.6	-27.0	64.2	28.7	5.7	15.3	37.2	35,336	27,176
22	Putnam Voyager	-24.2	33.8	41.0	-16.7	-25.4	41.5	28.0	5.4	15.5	35.7	29,921	26,589
24	Vance Sanders Special	-2.4	40.4	7.5	-33.6	-30.5	44.4	35.0	19.7	23.3	35.9	39,102	26,581
25	American Gen. Growth	-10.0	26.4	24.1	-18.7	-25.9	14.8	33.2	3.2	32.2	49.8	31,252	26,579
26	Comstock	-17.4	12.5	-1.1	-17.1	-16.8	64.3	34.0	13.9	13.7	46.7	41,827	26,513
27	Mathers	2.0	19.6	15.8	-34.5	-29.7	55.4	43.7	13.9	14.2	40.3	40,753	26,512
28	Franklin Income	7.3	19.2	4.2	-3.9	-11.2	25.5	21.8	8.1	8.2	27.0	22,706	25,824
29	PILTREND	-10.0	14.8	13.4	-17.1	-31.9	36.9	35 8	17.2	22.8	45.9	39,039	25,821
30	Value Line Income	5.6	13.5	8.8	-15.1	-15.2	40.8	33.6	1.7	10.8	26.8	26,878	25,232
31	American Mutual	7.5	13.2	10.6	-10.4	-15.5	34.5	33.3	1.6	12.1	20.5	24,606	25,074
32	Kemper Summit	-0.9	25.7	7.0	-27.5	-33.9	56.4	32.5	12.6	18.7	41.3	39,136	24,998
33	Energy	-4.5	8.9	11.0	-6.6	-18.6	33.4	32.2	2.3	6.0	48.0	27,956	24,839
34	Amer. Insurance Ind.	-5.7	45.2	44.9	-25.6	-24.5	18.1	34.1	5.1	8.1	23.1	22,150	24,685
35	Contrafund	10.6	9.0	16.3	-9.7	-13.6	40.1	35.8	-10.1	6.0	25.6	22,246	24,333
36	BLC Income	13.5	13.3	12.9	-17.0	-13.9	48.9	34.1	-1.2	3.9	14.2	23,408	24,286
37	Philadelphia	-4.4	21.3	16.9	-22.4	-20.9	35.4	31.5	3.9	24.6	26.6	29,180	24,282
38	Decatur Income	7.8	16.4	6.1	-13.8	-11.2	33.6	76.7	1.3	2.5	24.8	23,666	24,117
39	Dreyfus Leverage	0.6	28.8	12.5	-15.4	-26.3	25.8	24.9	6.9	10.1	39.9	25,873	27,515
40	SAFECO Equity	3.1	14.1	13.0	-15.4	-26.6	48.4	35.0	4.9	10.7	25.9	29,290	23,444
41	Price New Era	-0.8	10.5	20.3	-2.0	-25.7	20.7	20.9	-4.0	11.2	56.2	24,332	23,363
42	Windsor	6.0	6.9	9.3	-24.4	-16.3	54.1	45.2	0.6	8.5	21.7	29,721	23,294
43	SAFECO Income	8.5	13.4	13.1	-15.0	14.9	37.4	33.7	2.2	1.8	20. 5	23,031	23,183
44	Affiliated	-2.1	-8.7	-12.1	-5.3	-15.2	39.5	33.9	-6.6	3.5	28.3	23,167	23,146
45	Fidelity Equity Inc.	-4.0	13.2	4.5	-10.8	-18.9	42.4	44.1	4.8	11.2	30.0	31,306	22,697
46	National Income	3.3	17.6	7.1	-12.4	-10.0	27.3	36.0	5.4	5.8	14.1	22,028	22,595
47	St. Paul Growth	-11.7	26.6	19.8	-24.7	-19.0	17.8	29.8	2.5	27.5	37.7	27,516	22,477
48	Oppeheimer A.I.M.	9.3	33.4	11.8	-21.9	-32.5	29.1	19.5	0.3	13.1	49.8	26,061	22,395
49	Puritan	6.3	13.0	10.6	-7.2	-11.8	31.5	29.6	0.8	4.6	14.5	20,575	22,372
50	Kemper Growth	-4.1	19.9	6.4	-18.7	-27.5	42.1	28.9	2.3	17.8	40.1	30,926	22,300

*Change in net asset value per share, with dividends and capital gains added. "What $10,000 Grew To" does not take into account sales charges on initial investment on any capital gains or income taxes that would have to be paid.